DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

NATIONAL DEFENCE
RECEIVED
MAY 25 1970
LIBRARY

SECOND SESSION—SIXTEENTH PARLIAMENT

18 GEORGE V, 1928

VOLUME I, 1928

COMPRISING THE PERIOD FROM THE TWENTY-SIXTH DAY OF JANUARY, 1928, TO THE TWELFTH DAY OF MARCH, 1928, INCLUSIVE

BEING

VOLUME CLXXVII FOR THE PERIOD 1875-1928

INDEX ISSUED IN A SEPARATE VOLUME

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1928

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, January 26, 1928

SECOND SESSION—SIXTEENTH PARLIAMENT—OPENING

The parliament which had been prorogued from time to time to the 26th day of January, 1928, met this day at Ottawa, for the despatch of business.

The house met at three o'clock, the Speaker in the chair.

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

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

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

Accordingly the house went up to the Senate chamber.

And the house being returned to the Commons chamber:

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that during the recess I received communications from several members, notifying me that the following vacancies had occurred in the representation, viz.:

Of the Hon. James Kidd Flemming, member for the electoral district of Victoria-Carleton, by decease, and of George Spence, Esquire, member for the electoral district of Maple Creek, by resignation.

I accordingly issued my several warrants to the Chief Electoral Officer to make out new writs of election for the said electoral districts, respectively.

NEW MEMBERS

CERTIFICATES OF ELECTION

Mr. SPEAKER: I have the honour to inform the house that the Clerk of the house has received from the Chief Electoral Officer certificates of the election and return of the following members, viz.:

Of Albion Roudolph Foster, Esquire, for the electoral district of Victoria-Carleton.

Of George Spotton, Esquire, for the electoral district of North Huron.

Of William George Bock, Esquire, for the electoral district of Maple Creek.

INTRODUCTION

Albion Roudolph Foster, Esquire, member for the electoral district of Victoria-Carleton, introduced by Right Hon. W. L. Mackenzie King and Hon. P. J. Veniot.

George Spotton, Esquire, member for the electoral district of North Huron, introduced by Hon. R. B. Bennett and Hon. Hugh Guthrie.

William George Bock, Esquire, member for the electoral district of Maple Creek, introduced by Right Hon. W. L. Mackenzie King and Hon. W. R. Motherwell.

OATHS OF OFFICE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

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

Honourable Members of the Senate:

Members of the House of Commons:

It affords me much pleasure to meet you at the commencement of another session of parliament and to be able to congratulate you upon the marked prosperity of the country. The volume of trade and of building construction, the growth in employment, the increased railway receipts, the expanding revenues, and business conditions generally, all bear testimony to a sound economic development which promises much in the way of substantial progress.

The celebrations of the sixtieth anniversary of confederation, held during the past summer, were of a memorable character. They evoked in all parts of the Dominion a spirit of national pride and patriotism. Related to the commemoration. and outstanding among the events of the year, was the visit of Their Highnesses the Prince of Wales and Prince George, and the Prime Minister of Great Britain. The welcome everywhere accorded the representatives of the Royal Family and the representative of the British parliament evidenced the strength of the ties which unite in a common allegiance the members of the British commonwealth of nations.

Striking recognition has been accorded Canada's position in the League of Nations through the selection of Canada by the assembly to a non-permanent seat on the council of the league.

As contemplated by the conclusions of the Imperial conference of 1926, provision was made on July 1 for direct communication between His Majesty's government in Canada and His Majesty's other governments of the British Empire. The further implementing of these conclusions which aim at more effective consultation through personal contact by the appointment to Canada of a representative of His Majesty's government in Great Britain is being discussed between the Secretary of State for Dominion Affairs in Great Britain, who is at present in Canada, and members of my government. By agreement between the governments of France and Canada and the governments of Japan and Canada it is proposed that each of these countries shall be represented in the other by a minister plenipotentiary.

Following the announcement made during the last session of parliament, a conference was convened at Ottawa in November between the Dominion government and the governments of the provinces of Canada. It is the opinion of my advisers that this conference proved of the utmost value in facilitating a full and free exchange of views between the participating governments on problems of mutual interest and concern. Your attention will be invited during the present session to some of the more important matters discussed at the conference.

As a result of the Dominion-Provincial conference, my advisers have decided, pending a complete revision of the financial arrangements as contemplated by the Duncan report, to recommend the continuance to the maritime provinces of the money grants made at the last session. In the light of the discussions at the conference, my ministers are continuing negotiations with the prairie provinces for the return of their natural resources and are giving consideration to the restoration to the province of British Columbia of the lands of the railway belt and the Peace River block. Consideration is also being given to the railway problems of the several provinces, as outlined at the conference.

The work of reconditioning that portion of the Hudson Bay railway previously constructed has been finished. After most careful examination and consideration, and upon the best advice obtainable, Churchill has been selected as the ocean terminus of the Bay route. A contract has been let for the grading and bridging of the railway extension to Churchill and preparations looking to the establishment of the necessary harbour works there are well advanced.

There has been a substantial increase in the number of British immigrants as well as in the number of immigrants of a suitable type from the continent of Europe. Steps have been taken towards closer co-operation with the provincial governments in land settlement, placement and supervisory work. Several provincial centres have already been established for the reception and distribution of British youths for agricultural work, and a constructive settlement scheme has been put into force for settlers of this class.

The opening of new territory by the construction of branch lines of railway is proceeding rapidly, and is providing wider opportunities for settlement.

Harbour commissions have been established at the ports of St. John and Halifax. This, it is expected, will facilitate and expand the movement of traffic through Atlantic seaports. The volume of trade at other Canadian ports during the past season has increased. In grain shipments, the port of Montreal attained a pre-eminent position among world ocean ports.

Much progress has been made in the development of aviation in the Dominion. An organization has been established for the administration of civil aviation, distinct from that of the air force. To assist in the development of transoceanic air routes, a site for an airship base has been purchased near Montreal. An airship mooring tower will be erected and a public air terminal for aeroplanes provided.

In the postal service the year has been marked by the inauguration of an air mail service between Rimouski and Montreal.

Satisfactory progress has been made in the organization of the Department of National Revenue. The final report of the Royal Commission on Customs and Excise will be presented immediately for your consideration, and legislation based upon the report will be introduced.

It is proposed to amalgamate the Departments of Health and Soldiers' Civil Re-establishment in a single department of National Health and Veterans' Welfare.

A proclamation has been issued bringing the revised statutes of Canada into force on the first day of February, and copies of the new revision will be available for the present session.

Among other important matters to which your attention will be invited will be measures providing for more favourable trade relations between Canada and certain foreign countries, and for substantial assistance to and improved facilities for industrial and scientific research.

Members of the House of Commons:

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

Honourable Members of the Senate:

Members of the House of Commons:

In again inviting your careful consideration of the important matters which will engage your attention, I pray that Divine Providence may guide and bless your deliberations.

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the speech of His Excellency the Gorvernor General to both houses of parliament be taken into consideration on Friday next,

and that this order have precedence over all other business, except the introduction of bills, until disposed of.

Motion agreed to.

LEADER OF THE OPPOSITION

CONGRATULATIONS EXTENDED TO MR. BENNETT —TRIBUTE TO MR. GUTHRIE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with your permission, and the permission of the house, I should like to take an early opportunity to extend my congratulations to the hon. member for West Calgary upon his selection last October as leader of the Conservative party, and upon his assumption in the House of Commons to-day of the office of leader of His Majesty's loyal opposition. Hon. members on this side join very heartily with hon. gentlemen opposite in the welcome which has been extended to my hon. friend on his return to the House of Commons in his new capacity. May I also, as leader of one of the old political parties in Canada, extend to the Conservative party, its traditional opponent, our congratulations upon its choice of a new leader.

The position of leader of a political party, especially when that office is combined with the position of leader of the opposition in the House of Commons, is a very high and honourable position, implying as it does great confidence on the part of one's fellow men, large opportunities of public service, and the discharge of heavy responsibilities. Contrasted with the position of leader of the government, it differs in degree rather than in kind. The position of leader of the opposition requires on the part of the one who fills it a combination of qualities that in many respects is rare. It demands a wide knowledge of public affairs, the ability to criticize boldly and yet justly, and with discrimination, constructive suggestion, an intimate acquaintance with parliamentary procedure, and a disposition to co-operate in the conduct of public business. I am sure all hon. members will agree with me when I say that the hon. member for West Calgary, through his natural endowments, his exceptional training, his ripe scholarship, his high legal attainments, his comprehensive grasp of business affairs, and his wide political experience, possesses in a very marked degree the qualities necessary for the position which he now occupies. I wish to assure him that in the discharge of its duties—the importance and difficulties of which, I perhaps better than any other hon. member am able to appreciate and understand —he will, at all times, have my best wishes. It is too much to expect that my hon. friend and I will agree on all matters of policy—we shall certainly differ considerably in regard to many things—but I am quite sure, Mr. Speaker, we shall be in full accord in the desire to cooperate with Your Honour in upholding and preserving those ancient and honourable traditions of parliamentary usage which help so much to lend dignity and authority to the proceedings of parliament.

May I take advantage of the present occasion to speak of the service rendered this house during the last session by the hon. member for South Wellington (Mr. Guthrie). Speaking on behalf of the government, I wish to say that we all realized the difficult and trying position in which in many respects he was placed in undertaking for a single session the temporary leadership of his party. Nevertheless it will I think be conceded by all that his tact and courtesy, his judgment, and his wide experience in parliamentary practice were such as to cause his services to be of the utmost value in enabling the business of the house to be conducted expeditiously and with a due regard to all essentials; and were also of a character to merit for my hon. friend, the thanks of parliament, which, on its behalf, I should like now to extend to him.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, may I be permitted at this juncture to offer the hon. member for West Calgary (Mr. Bennett) our congratulations on his elevation to the position which he now occupies? We who come from Alberta are most appreciative of the fact that the Conservative party selected as its leader one of its members from our province. This will probably create a very strong sentiment between eastern and western Canada. It is quite true that we in the west have been to some extent suspicious of eastern Canada; but when a great party such as the Conservative party comes to the province of Alberta for the purpose of selecting its leader, we appreciate the sentiment implied by the choice.

I am sure the hon. member for West Calgary possesses the qualifications for the position. The group with which I am associated do not believe very much in political parties, but so long as the Canadian people desire to have political parties and an official opposition such as we have at the present time, there must be a leader and the Conservative party have made a splendid choice in selecting the hon. member for West Calgary. We are of opinion that cooperation in parliamentary work is just as essential to the welfare of the Canadian people as is

co-operation in other lines of endeavour. The sentiment so gracefully expressed by the Prime Minister in relation to the hon. gentleman and the great honour which has been conferred upon him will, I am sure, be shared by every hon. member of the house.

I was delighted to hear the Prime Minister make reference to the hon. member for South Wellington (Mr. Guthrie). While I have been a member of this House for only a few years, I noticed a great difference in the temper of the House last session primarily due to the very able leadership of the hon. member for South Wellington. It is not for me of course to advise the hon. member for West Calgary; but I would merely remind him of the splendid attitude which the temporary leader assumed last year and may we hope that he will follow in the footsteps of that hon. member. It will be an honour and glory to this country if the hon. member does so.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I desire both on my own account and on behalf of those who are associated with me, who sit to your left, to express our very sincere thanks to the Prime Minister for the kindly words of congratulation that he has been pleased to utter with respect to my election, or possibly I should say selection as leader of the opposition and election as leader of the Conservative party. By my election to an office that has statutory recognition as part of the machinery of parliament and of government I recognize that I have assumed grave responsibilities and undertaken great duties. The very observations which the Prime Minister has addressed to the House but bring to my mind my own defects for the discharge of these duties. But I shall do my very best conscious that the spirit which actuated the right hon. gentleman in making the observations that he did is a spirit that I have found in every part of Canada since October last, a spirit of great kindness and consideration for a fellow citizen who, the people believe, has undertaken grave and serious responsibilities with a desire to be of some service to the country in which he lives.

I think I am right in saying that no man has been more kindly received by his political opponents and no man has received greater kindness from the press of this country than has the leader of the opposition since October last. That in itself indicates the fundamental kindness of human nature and the really serious desire there is on the part of the people to express their sympathetic consideration for those who undertake great public responsibilities.

I can only further say that under our system of government the duty of an opposition is a very important one. Fearless and courageous criticism must always be tempered with constructive suggestion and a desire that, whatever may happen, the opposition itself may serve some useful purpose in the direction of the affairs of the country and to that end I will devote my best energies. I am sure that represents the attitude of mind of all those who are associated with me in the discharge of public duties and obligations.

I should like again to thank the Prime Minister for his suggestion that we may be able to maintain the high traditions of parliament. Courtesy in debate, reverence and respect for constituted authority as represented by you, Sir, and regard for the rulings of the chair, conferences, mutual understandings, regard for the point of view of one another—all these things will tend to expedite the transaction of public business and are not inconsistent or incompatible with the maintenance of the high policies and, shall I say, the high policy of the great party which I have the honour to represent and the enunciation of them from the floor of this chamber. Keeping that in mind I shall endeavour to discharge the duties of the difficult task which I have undertaken with a desire to be of some service to Canada and to make it easier, I trust, to conduct public business than if we took a merely partisan view for the purpose of interposing objections and opposition for its own sake. That, Sir, we will not do. I can only make that promise to the house, to you, Sir, and to my hon. friends opposite. I trust the relations which have thus been so auspiciously opened between the government and His Majesty's loyal opposition may be long continued, and if the fortunes of war change the position of the parties I know the right hon. gentleman who now leads the government will approach the discharge of his duties in the future in the same high spirit which he displayed in 1919 when he found himself in the position which I now occupy.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, I regret that at the moment the Prime Minister rose I was occupying not my own seat but the seat of another member in this chamber. I am glad indeed that I was in the chamber at the time and I rise now merely to express to the Prime Minister my very sincere thanks for the kind and all too complimentary remarks he made in regard to my conduct during the past year.

when I occupied the position of temporary leader of His Majesty's loyal opposition.

I also appreciate very highly the kind words which fell from the lips of the hon. member (Mr. Gardiner) who leads the Progressive group in this chamber. I do not know that I can do more than thank my right hon. friend the Prime Minister, the leader of the Progressive group and those members of the House who have joined so heartily in the language of approval of the leader of the house.

SELECT STANDING COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That a special committee be appointed to prepare and report with all convenient speed, lists of members to compose the select standing committees of this House under rule 10, said committee to be composed of Messieurs Casgrain, Forke, Hanson, King (Kootenay) and Stewart (Leeds).

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister) presented the following message from his Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable W. R. Motherwell, Minister of Agriculture, the Honourable J. H. King, Minister of Health and Soldiers' Civil Re-establishment, the Honourable J. C. Elliott, Minister of Public Works, and the Honourable Fernand Rinfret, Secretary of State, to act with the Speaker of the House of Commons, as commissioners for the purposes and under the provisions of the eleventh chapter of the revised statutes of Canada, 1906, intituled "An Act respecting the House of Commons."

DEPUTY SERGEANT-AT-ARMS

Mr. SPEAKER: I have the honour to inform the house that the Sergeant-at-Arms, with my approval, has appointed Edouard Taschereau, Esquire, to be his deputy during the present session of parliament.

ADJOURNMENT

DOMINION-PROVINCIAL CONFERENCE

Mr. MACKENZIE KING moved the adjournment of the house.

Mr. BENNETT: Before the question is put, Mr. Speaker, may I inquire from the right hon. the Prime Minister if the report of the Dominion-Interprovincial conference might be made available to us before Monday?

Mr. MACKENZIE KING: I do not know whether my hon. friend has learned of the understanding that was reached at the time the conference took place. The understanding with the provinces was that a record would not be kept of the proceedings. It was felt that there might be more in the way of frank discussion if the proceedings were not reported from day to day, and if members could feel free to express their views without everything that was said being taken down in a way that might tend to bind them literally to the point of view as expressed at the moment. There is, as a consequence, no report of the conference as such. For the purposes of the government, a record was kept of the meetings and of those who attended, but that report is not of a nature which I think would serve any useful purpose in parliament.

I should say to my hon. friend that the proceedings of the conference from day to day were given to the press in the form of statements which were prepared or authorized by representatives of both the federal and provincial governments. These statements I think hon. members have already seen.

Motion agreed to and the house adjourned at 4.20 p.m.

Friday, January 27, 1928

The house met at three o'clock.

CUSTOMS INQUIRY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table of the house copy of the final report of the Royal Commission on Customs and Excise. I move, seconded by Mr. Dunning, that 1,200 copies in English and 400 copies in French of the said report, be printed forthwith and that standing order No. 64 be suspended in relation thereto.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PACIFIC GREAT EASTERN RAILWAY

On the orders of the day:

Hon. S. F. TOLMIE (Victoria): Have negotiations taken place, or are negotiations now pending, for the acquisition of the Pacific Great Eastern railway by the government of Canada or by the Canadian National Railways?

Hon. CHARLES DUNNING (Minister of Railways): I think my hon. friend might give me notice of that question in order that I might give it some consideration before answering.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY, MOVED BY MR. ILSLEY AND SECONDED BY MR. BEAUBIEN

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

Mr. J. L. ILSLEY (Hants-Kings) moved:

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

He said: In rising to move the address I wish first of all, not only in deference to custom but in all sincerity, to express my gratitude to the Prime Minister (Mr. Mackenzie King) and his colleagues for the compliment which they have so very kindly paid my constituency in asking me to move the address in reply to the speech from the throne. I have the honour to represent the two counties of Hants and Kings in the province of Nova Scotia, counties which include within their borders the greater part of the orchards of the Annapolis valley, the fertile dyke lands of Cornwallis and Horton reclaimed by the Acadians from the sea nearly three centuries ago, and many spots which are sacred to lovers of history, including the town of Windsor, built at the meeting of the waters, and the beautiful land of Evangeline, with its haunting memories of the past.

My constituents are for the most part farmers, typical Nova Scotians, proud of their counties and of that province which was referred to by the writer of a recent book on the province of Nova Scotia as the "sea beaten, mistmantled, valley cloven, many watered, green garmented province of Canada which fronts the Atlantic and the rising sun."

One of my duties in moving this address is to express the gratification which we in the province of Nova Scotia, in common with those in other parts of Canada, feel at the rapid acceleration which has taken place in the material progress of Canada during the past year. Canada is prospering; we no longer talk of being on the eve of prosperity; we are enjoying prosperity. That prosperity has been briefly mentioned in the speech from the throne, and is more fully dealt with in the reports or addresses which have been presented by the presidents and general managers of the great Canadian banks to their shareholders during the last few weeks. These addresses tell the story of a greater progress than has ever before been experienced in the history of Canada, a greater prosperity than Canada has ever enjoyed.

The year 1927 saw the greatest building program since pre-war days, resulting in the erection of houses, factories and industrial and power plants in all parts of the Dominion. Last year also saw greater activity and interest in mining than at any previous time in the history of Canada. Immigration during the past year has greatly increased, particularly immigration of British settlers and those of the best European stocks, while on the contrary, emigration which has in past years presented a problem of importance has decreased. National taxation has been reduced from time to time during the past few years, but while that reduction has been effected the national debt has been very greatly and spectacularly reduced as well. During the past year there were substantial and in many cases unexpected increases in savings bank deposits, in the amount of money invested in life insurance, in trade with foreign countries, in the value of Canadian securities, in the earnings on Canadian industrial stocks, in the value of Canadian field crops, in car loadings and in the gross revenue of the Canadian National Railways. At the same time, unemployment was considerably lessened and the demand for labour has increased. Indeed, the condition of the country has been so satisfactory, from the standpoint of material progress and prosperity, that an hon. member of this house, an acknowledged authority, writing in the Montreal Gazette's Commercial and Financial Review for the year 1927, on January 7 of this year, had these striking words to say:

Canada has never before enjoyed a year of so general progress and prosperity as that of 1927. Production, distribution, manufacturing, transportation and foreign commerce exceeded all previous records, and while there was a slowing down here and there in the last quarter of the year, the relapse was slight and not such as to excite apprehension. Labour was fully employed at wages higher, relatively to the peak, than the cost of commodities, giving to artisans and mechanics a substantal surplus of earnings to be employed either in bank deposits, investments, or a higher standard of living.

This is very gratifying to all Canadians, and we consider it all the more remarkable when we recall that less than two and a half years ago a large part of the population of every province of Canada, from the Atlantic to the Pacific, was predicting financial ruin

and industrial disaster unless a radical change took place in the trade policies of Canada, a change which has not been made.

In discussing the question of Canada's prosperity, Mr. Speaker, there is one unfavourable feature which should be mentioned, and that is the fact that this prosperity has not been as evenly distributed as might have been the case, or as we would have liked to see it. I am not now referring particularly to the distribution as between classes in the community, although a good deal could be said as to that; I am referring to the territorial distribution of prosperity in which the people in the maritime provinces, unfortunately, have been slow to share. For that condition of affairs there are many causes, most of which are beyond the control of any government. I wish, however, to mention just one cause, which is not at all original since it has been mentioned in this house many times, but nevertheless a very real reason for the tardiness on the part of the maritime provinces to share in the prosperity of Canada. That cause is the lack of markets for agricultural products in that part of the Dominion.

It may be difficult for people who live in the central part of Canada, in close proximity to the great cities which furnish such an admirable market for their products, to understand the difficulties which confront the farmers of the maritime provinces. They are not near large cities and have to depend to a very large extent on foreign markets for their products. It is true that since the passage of legislation last session in connection with freight rates we have been able to ship our products a little further west, and in a few instances a good deal further west into our Canadian markets, but still we have to depend to a very large extent upon foreign markets.

I venture to say that in the western part of Nova Scotia, and in other parts of the maritime provinces similarly situated, one sentence in the speech from the throne will offer as much hope as anything else. The sentence to which I refer is:

> Among other important matters to which your attention will be invited will be measures providing for more favourable trade relations between Canada and certain foreign countries.

If I may be permitted to do so I would like to make a concrete suggestion to the government and in particular to the Minister of Finance with regard to the extension of foreign markets and the improvement of Canada's trade relations with foreign countries. I would say: Do not forget the agricultural producers of the maritime provinces, and in particular do not forget the apple growers of Nova Scotia, who are now shut out of the German market, which is an exceedingly valuable market, by prohibitive duties while apples grown by their American competitors are permitted entry under favoured nation treatment.

I would also remind you of the potato growers of the maritime provinces; within the last two months Cuba has placed an almost prohibitive tariff on Canadian potatoes, with disastrous results as far as the price is concerned, while as in the other instance American potatoes are admitted at lower rates. In other words, nothing would be more appreciated in the maritime provinces than trade treaties with Germany and Cuba which would remedy these evils. I know that in negotiating these trade treaties the country with which you are negotiating requires a quid pro quo, and other interests in the Dominion might be adversely affected, but I am pleading for the producers of agricultural products in the maritime provinces, and I feel that if my suggestions could be carried into effect the benefit which they would derive would be very great.

I would not like this house to infer that conditions in the maritime provinces are by any means hopeless; that is far from the case. In the province of Nova Scotia very great progress has been made in many directions during the past year. The production of coal has increased very materially, and the action of the Dominion government in appointing a royal commission to investigate conditions in the fishing industry and bring in recommendations for the improvement of conditions has been a great encouragement to the fishermen of the maritime provinces. In addition to that the production in many lines of agricultural endeavour has increased quite considerably. There is also a revival of interest in mining in Nova Scotia and the other maritime provinces as well, which in itself is very promising.

No reference to conditions in the maritime provinces would be complete without a word of appreciation for the loyal, honourable, and generous way in which the government of Canada has carried out and is carrying out the recommendations made by the Duncan commission. In November of last year we had a Dominion-provincial conference in this city, and that conference was of inestimable value in making clear the viewpoints of the various parts of Canada both to the Dominion government and to each other. In particular, perhaps as a result of that con-

ference, the Dominion government have determined to continue the increase in subsidies which they granted as a temporary measure in the year 1927. Thus we are encouraged to believe that this increase in subsidies to the maritime provinces will be a permanent feature of our fiscal system. This assistance is in accord with the recommendations of the Duncan commission, and is greatly appreciated in the maritime provinces.

Another recommendation of the Duncan commission has been put into effect: I refer to the legislation with respect to coking plants. Private companies are already beginning to take advantage in a small way of this legislation, which will have the effect of stabilizing and to some extent enlarging the market for Nova Scotia coal.

Another important fact is the appointment of a harbour commission for the city of St. John, which is already functioning energetically and successfully. Harbour commissioners have also been appointed for the city of Halifax, and it is hoped that this body will give some degree of direction and unity to the efforts of the people of that city to improve existing conditions. At the present time there are so many disputes and differences of opinion between persons occupying important positions in Halifax as to what should be done along certain lines—for example in the matter of encouraging the grain export trade—that we in other parts of Nova Scotia are inclined, perhaps, to have less respect than we otherwise should for the legitimate aspirations of the people of that great port.

The most important and far-reaching measure enacted last session as a result of the findings of the Duncan commission was, of course, that relating to maritime freight rates. This has been of very great benefit to shippers not only along the line of the Canadian National railways, but also along the line of the Canadian Pacific railway in the province of New Brunswick, and its subsidiary, the Dominion Atlantic railway, in the province of Nova Scotia. The Canadian National Railways have been very severely criticized recently by the Premier of New Brunswick in speeches which he made in the cities of Montreal and New York. In that regard I would say that there are many people in the maritime provinces who do not associate themselves with immoderate and hysterical denunciations of the Canadian National Railways. We in the maritime provinces feel that if we were to be judged by the speeches which have been made by the Premier of New Brunswick our legitimate requests would meet with scant recognition or notice. Moreover, we know, just as people in other parts of Canada know, that we owe a duty to the management of the national system. Our duty in the first place is to refrain from petulant abuse when we do not get everything we want. A further and a positive duty devolves upon us, and that is to lend our support in every way possible to the management of the national system in their efforts to make the system what it ought to be, namely, a self-sustaining asset of this dominion.

I have been discussing the relations of the maritime provinces to the rest of the Dominion at much greater length, perhaps, than I should. Now let me say just a few words regarding the relations of Canada to the empire. During the past year we celebrated the sixtieth anniversary of confederation. These celebrations have revealed Canada to the world as a nation—young, self-reliant, forward looking, and animated in all its parts by very genuine love of the British connection and of British institutions. This was shown by the warmth and spontaneity of our welcome to their Royal Highnesses the Prince of Wales and Prince George, and to the Right Hon. Stanley Baldwin, Prime Minister of Great Britain, who were the guests of Canada a few months ago. At the present time we have the pleasure of welcoming here the Right Hon. Mr. Amery, Secretary of State for Dominion Affairs in the British government, who is now in Canada after having visited the dominions of Australia and New Zealand. In a day or two we shall also have the great pleasure and honour of welcoming here Mr. Cosgrave, president of the Executive Council of the Irish Free State. His visit here, it seems to me, is very fitting when we recall the fact that the constitution of the Dominion of Canada was taken as the model of the constitution of the Irish Free State. These are significant and happy events, and they remind us of the great experiment in statecraft which was initiated at the Imperial conference of 1926, and the working out of which began last year. The achievements of the Imperial conference of 1926, and of those who attended that conference, constitute one of the greatest triumphs of the genius of the British peoples for statesmanship that has ever been witnessed. The world has never seen anything like the British commonwealth of nations. In Canada it is true we have had, for sixty years and longer, two nationalities, racially separate, dwelling together in peace and unity, but the experience of other parts of the British Empire has not been nearly as favourable. We are all familiar with the history, the sad history, of Ireland. We are also familiar with the history of South Africa, where during the last

two decades conflicts have occurred between those who believe in separation from the British Empire and those who uphold the British connection. These conflicts at times have waxed so fierce as almost to make it appear that there could be only one outcome, namely, secession from the British Empire. The fact that representatives from these troubled dominions of Ireland and South Africa could sit at the same table with representatives from the Dominion of Canada, from the more purely Anglo-Saxon commonwealth of Australia, from Newfoundland, from the dominion of New Zealand, and from the mother country, and work out a declaration of principles satisfactory not only to one or two but to all these dominions and to the mother country as well, after which the President of the Irish Free State could go back to Ireland and there fight successfully for the British connection and the Premier of South Africa could go back to his country and tell his people that henceforward there was no further need to consider the question of secession—this fact goes to show how great was the achievement of the Imperial conference of 1926, and demonstrates that what was accomplished there was wrought in the spirit of true and lofty statesmanship.

The intimation in the speech from the throne that in the near future the British government is likely to have a representative here, that Japan and France propose to have representatives at Ottawa as well as Canadian representatives at their capitals, and the fact that Canada has been accorded by the assembly of the League of Nations a non-permanent seat on the council of that body, are of importance as indicating the development of the ideas and ideals promoted by the Imperial conference of 1926.

Now let me say a word about one other event which took place last year and which is of importance not merely to one political party but to Canada as a whole. I refer to the first national convention of the Conservative party which was held in the city of Winnipeg in the month of October last, and which was one of the most important events in the history of this country. My own observation has led me to the conclusion that many delegates who went to that convention with somewhat narrow views on national matters returned to their homes with their minds broadened and enlightened. In the province of Nova Scotia we have too often seen exhibitions of the most extreme sectionalism. During the last few years this government has been not only criticized but denounced and condemned in that province for its tariff policy, which was alleged to be in the interest only of the farmers of the west; for its construction of the Hudson Bay railway, and for the lowering of the transportation rates on western wheat. For example, one candidate, now a member of this parliament, put into his manifesto, issued on the eve of the election of 1926, these words:

> Western freight rates were lowered, taxes so changed and altered as to fall less heavily on western farmers, and millions of your money promised for a useless railway to Hudson Bay. We in this eastern province were crying for bread; we not only received a stone, but we helped, and are helping, to pay the bills for those princely gifts to others.

Fortunately for the unity of Canada the Liberal-Conservative party, in national convention assembled at Winnipeg, assumed a new and entirely different position and attitude in respect to these matters. By their resolutions they sanctioned the principle that necessaries of life and implements of production should be lightly taxed by the customs tariff; that the construction of the Hudson Bay railway should go forward; that the existing freight rates on grain and grain products should be maintained as a maximum. This I cannot help thinking is an indication that even the opposition is coming around, getting into line, and that henceforward it will be more constructive, more truly national in its efforts and activities.

Mr. Speaker, my speech would be incomplete did I not, as I do very heartily, extend my congratulations and the congratulations of this side of the chamber to the newly selected leader of the opposition in this house. As we all know he is thoroughly imbued with the high traditions of British parliamentary life and is prepared to devote himself to the public service. In this we hope that his efforts may result in the building of a progressively greater Canada.

Consequently, Mr. Speaker, I have the honour to move that an address be forwarded to His Excellency the Governor General to thank him for the speech which he so graciously delivered to both houses of parliament.

Mr. ARTHUR L. BEAUBIEN (Provencher) (Translation): Mr. Speaker, ever since the setting up of confederation a custom based on the terms agreed upon in the great federal pact requires that the address in reply to the speech from the throne be moved and seconded in both the official languages of this country. Every government has desired to acknowledge thereby the equality of the

two great races whose toils have cleared the land, civilized and made a greater Canada. They wished to convey the idea that they especially expected from the virtues and eminent qualities of these two races, the peaceful and united effort which will give to our country the marvellous expansion that the future has in store for it, and which will make it—as already foretold—the country of the twentieth century. The government went further. To second the motion for an address in reply to the speech from the throne, they might have chosen among the brilliant array of representatives from the province of Quebec. They however wished to extend this honour to the only member belonging to the French language elected west of the great lakes. They certainly desired to emphasize the fact that the Canadian of French origin is placed on an equal footing in this country and that the sons of the pioneers are everywhere at home in this vast Dominion. By inviting the comments of a French Canadian from the west, the government wished to show their trust in the various French settlements of the prairie provinces and convey the hope that the citizens of the French language would lend, in the development of this vast region, their powerful and peaceful co-operation. It is not therefore solely on my behalf that I wish to thank the government and congratulate them on their broad mindedness, but it is also on behalf of the French Canadian people who are, through my humble person, the recipients of this honour and token of appreciation that I wish to extend to the right hon. Prime Minister and his hon. colleagues the feelings of a sincere and deep gratitude.

Before commenting upon the speech from the throne, allow me, Mr. Speaker, to express our joy in seeing you looking always young and in such good health. Time rolls on without ever leaving any trace upon your features and each session we see you return ever ready to give with an untiring zeal, to our country and its representatives, the benefit of your great parliamentary experience, of your deep knowledge of our customs, laws and of your science in other spheres, as well as of your sense of fairness, of your personal prestige, vigour and great activity. Together with your friends and admirers to your right, sir, let me express the wish that you may retain for a long time to come the high office that you so honourably fill. I even believe that I express also the secret wish of those to your left, sir, for although all the members of the loyal opposition may desire a change of government, I feel certain that there are many among them who would regret a change in the speakership of the house.

[Mr. Beaubien.]

Since last session, the features of the loyal opposition have somewhat altered. In a great national convention held in Winnipeg, the Conservative party chose as leader, the hon. representative of West Calgary (Mr. Bennett). There is no need for me to speak in praise of the new leader. He is esteemed by all, and I have no doubt that, under his able leadership, the members who support him will co-operate with him in order that the present government may wisely direct the affairs of the country. The hon. member for West Calgary stands out very prominently at the head of the opposition forces and, I trust that, together with all his friends to your right, sir, he may fill this post for a long time to come.

The speech from the throne contains no high sounding statement. In a moderate language it testifies to the prosperous conditions of the country and states the intention of the government to continue in the path of material progress by ensuring national unity. First recalling the great celebrations which commemorated the sixtieth anniversary of confederation, they remind us also of the harmony and union which presided over the celebration and draw our attention to the growing feeling of national pride and patriotism existing among all sections of our people. This love of country in no way weakens the ties which bind us to the other parts of the empire, as evidenced by the warmth of our people's welcome to the Prime Minister of Great Britain. The merry-making of our people have once more revealed our unshaken and loyal attachment to the royal family and British crown. The cheering which welcomed the visit of their Royal Highnesses, the Prince of Wales and Prince George have fully set forth this attachment.

Canada's status was clearly enunciated at the Imperial conference of 1926. The report of the conference regarding the autonomous units of the British Empire contains the following passage:

> They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

This new status giving us fully the rank of a nation in the world was acknowledged in a striking manner when our country was elected to a non-permanent seat at the council of the League of Nations. Canada may well be elated over it, we have also cause to be proud in having as our representative, at the council of the league, a man whose emi-

nent qualifications have been acknowledged by the diplomats the world over, and whose sound counsels have been sought after and appreciated by the leaders of the great powers. Indeed, Canada may rightly glory in the service and work of the hon. Senator Dandurand. Canada may now have direct diplomatic intercourse with other nations, and no doubt the government will avail itself of such a right wherever we have important interests to safeguard. Already Great Britain, France, Japan and other nations desire, following in the footsteps of the United States, to establish a permanent diplomatic service with Canada. These relations will contribute to emphasize our full national expansion and thereby draw to our free and autonomous country new citizens who will be prepared to benefit by our immense wealth and enjoy our peaceful national life. They will also attract capital of which we are so much in need.

The conference of the provincial prime ministers has laid down a firm foundation for that prosperity and peace which the labours of our citizens and of a sound administration ensures to a country disposing of such large resources as Canada. After having, for the sake of justice, requested the continuation of the subsidies voted to the maritime provinces at the last session, the provincial prime ministers, with the greatest freedom and frankness, scrutinized all the interprovincial questions, and the government, inspired by deliberations where were naturally exposed the various viewpoints, acquaint us with the necessary legislation destined to ensure the general welfare of the country, nevertheless taking into account the needs and legitimate aspirations of each province.

The return to the prairie provinces of their natural resources will be acclaimed by the population of the west as an act of justice, which will give them a new scope towards progress. In certain parts of the country, the prairie provinces are too much looked upon as a plain where the citizens have no other resources than that of the fertility of the soil. Moreover, in their opinion this fertility is subjected to many conditions which make the returns more or less uncertain. This is an entirely erroneous opinion, and should they be given possession of their natural resources, these provinces will prove to the remainder of Canada that they possess wealth which, by a more direct administration, will be able to supply some industries and give remunerating work to thousands of people.

The hon. members for Saskatchewan and Alberta will no doubt address you on the natural resources of their provinces. I shall therefore confine my remarks to a few sources of wealth in Manitoba. There is no need to discuss the fertility of its soil, which never fails to reward those who cultivate it, or of its dairy industry, its remarkable progress in poultry and bee raising or of its live stock trade. Manitoba has become highly reputed in these various spheres of agricultural industries, and what I might say would add nothing to what you already know. However, I wish to especially mention its mines and mineral beds still unworked. Who has not heard of its prosperous gold mines to the east of lake Winnipeg and to the north of the Pas? Their output is always on the increase and will continue so with better communications. There exist in those two districts mineral resources of all kinds. In the first rank is copper of which we possess the largest beds in the whole world; there is also to be found silver, nickel, iron, lead, zinc in sufficient quantities to attract capital and give very profitable returns. The famous mineral belt known as the Flin-Flon will soon be worked, thanks to the generous and willing co-operation of our Minister of Railways who had no hesitation in meeting the wishes of the Hon. Mr. Bracken, prime minister of that province, and with whom he came to an understanding which ensures the building of a railway which will serve that whole mining district. By the way, allow me, sir, to express my esteem for the Prime Minister of Manitoba who so energetically devoted himself to ensure the development of this new region. Mr. Bracken is aware of the untouched wealth of that district which he represents in the legislature, and he has faith in the spirit of enterprise and honesty of capitalists which this wealth will not fail to attract. Allow me also to extend to the hon. and sympathetic Minister of Railways for the Dominion the deep gratitude of the people of Manitoba for the strong co-operation which he gave to our provincial government in their endeavours to develop our province.

This railway will also facilitate the establishment of fisheries in this region still untouched and will at the same time open up new fields to settlers. I may add that Manitoba's sub-soil moreover contains deposits of gypsum, marble and of the beautiful stone which one admires in the interior of this building.

Allow me, Mr. Speaker, to congratulate the government and once more our energetic Minister of Railways, for the activity displayed in the completion of the Hudson Bay railway. The ocean port of Churchill will soon become, we hope, a great centre of

exportation which will economize millions to the western farmers, because the freight rates will necessarily be in proportion to the shorter haul.

Among the questions which the speech from the throne mentions, there is one of the utmost importance to which I want to draw your attention. It is the question of immigration. The co-operation mentioned in the speech from the throne between the Dominion government and the provincial governments cannot but produce good results. The immigrant that we especially need is the one who can settle on the land. Too often, alas! the person who has indulged in the dream of becoming the owner of a large domain from which he will gather in the crops, is sadly deceived, not that the soil has ceased to be generous and fertile, but owing to the preconceived idea that one may become a farmer overnight and that it is but necessary to till the land to reap.

A mechanic cannot possibly become a good farmer in a day. Sometimes an immigrant is advised to go on the farm so as to acquire experience. It is a sound advice, but one must bear in mind that, as a rule, the farmer is not continuously in need of farm hands, it is then that the new arrival finds himself without work after having toiled very hard for some months only; he then takes the road which leads to the city whence he never returns. We may consider ourselves lucky if the large United States manufacturing centres do not entice him across the border. On other occasions, the immigrant who wants to become efficient on the land by hiring himself as a farm help, disagrees with his employer, and judging all other farmers by the latter who perhaps has wronged him, gives up all idea of farming. The combined action of the Dominion government and the provincial governments will, we hope, relieve the situation, and make of the immigrant to Canada, a contented settler. A settler who writes to his friends that he is satisfied with his lot, is the best colonization agent that we can wish for. It seems to me that our colonization agents have now an easy task: Canada is prosperous, great activity prevails in all spheres, the future is full of alluring promises.

On the whole, the speech from the throne leads us to believe that the government is going to pursue its progressive policy which it has inaugurated and that the Progressive members who have given it their sincere and loyal support will not have to withdraw their trust.

Mr. Speaker, I have the honour to second the motion.

[Mr. Beaubien.]

On motion of Mr. Bennett the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 4 p.m.

Monday, January 30, 1928

The house met at three o'clock.

REPORTS AND PAPERS

Report of joint board of engineers, St. Lawrence waterways project, dated November 16, 1926—Mr. Mackenzie King.

Report on the selection of a terminal port for the Hudson Bay railway, October, 1927. —Mr. Dunning.

ELECTRICITY AND FLUID EXPORTATION ACT AMENDMENT

Mr. H. A. STEWART (Leeds) moved for leave to introduce Bill No. 2, to regulate the exportation of electric power.

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

Mr. STEWART (Leeds): Mr. Speaker, the object of this bill is to amend the existing law having to do with the exportation of electric power from Canada. At present this is governed by the provisions of the Electricity and Fluid Exportation Act of 1907, and under that act the governor in council has authority to issue a license providing for the export of electric power from Canada. The effect of this bill is to provide that a license shall only issue by the authority of parliament, and on such terms as may be determined by parliament. The necessary amendments to the existing act are included in this bill, and there is an express provision that nothing contained in this bill shall be deemed in any way to affect the rights of the provinces in connection with electric power.

Motion agreed to and bill read the first time.

CIVIL SERVICE ACT AMENDMENT

RESTORATION OF EXCLUDED POSITIONS

Mr. E. J. GARLAND (Bow River) moved for leave to introduce Bill No. 3, respecting the civil service.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Explain.

Mr. GARLAND (Bow River): This bill simply proposes to place under the operations of the Civil Service Act the employees of those departments of the government who have not been included up to the present.

Motion agreed to and bill read the first time.

CIVIL SERVICE COUNCILS

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 4, to amend the Civil Service Act.

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

Mr. WOODSWORTH: Mr. Speaker, this bill was introduced last year. It provides for the setting up of machinery to permit of consultation between employees in the civil service and the officials of the government. It is designed to provide a means for the hearing of grievances and for promoting efficiency, and is in line with the expressed purpose of the Prime Minister, which he made clear some time ago when he said:

> I think that in the relations of the civil service and the government, a council on which there would be representatives of the civil service to speak directly to members of the government or to take up with heads of the departments matters of interest to all government departments, could be of the utmost service to all concerned.

Motion agreed to and bill read the first time.

CRIMINAL CODE AMENDMENT

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 5, to amend the criminal code.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Explain.

Mr. WOODSWORTH: Mr. Speaker, this bill is designed to repeal the clause of the criminal code dealing with blasphemous libel. This is an old piece of legislation, which is practically obsolete and which I believe has been used only once in the history of Canada.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Friday, January 27, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it is not difficult to conform to the old traditions of this and other parliaments in congratulating the hon. gentlemen who spoke so splendidly on Friday last. The speeches in which they moved the address in reply to the speech from the throne were noteworthy. My hon. friend from Hants-Kings (Mr. Ilsley) is a graduate of the school of law from which I also graduated, and I have the natural pride of a fellow alumnist in his splendid achievement in this chamber on Friday last. My hon. friend from Provencher (Mr. Beaubien), who was elected by acclamation, was thereby placed in the position of being a member of this assembly who, with his adaptability, would have found himself quite happy and with great serenity making the same speech on this side of the house had the fortunes of war permitted.

I regret very much that, although it may be difficult for the house to believe it, I was so overcome on Thursday last that I failed to thank my hon. friend from Acadia (Mr. Gardiner) for the very kind sentiments which he expressed to this house upon my election to the position I now hold. I desire now formally to thank him and those associated with him for the very kind sentiments to which he gave utterance and particularly for the expression of the hope that I might be able to discharge the duties of this difficult position in a manner satisfactory to the country at large.

It always seems that there is sadness mixed with joy in all assemblies of this character. The cables this morning conveyed to us the sad intelligence that the great commander in chief of the British forces during a long period of the war had passed to his reward. It is a matter of profound sadness to all of us; so great was Lord Haig, so great his achievements, so dogged his courage, his persistence and his effort, that the sorrow at his passing is very marked even in a country such as this. I am sure that wherever men are gathered together in this country which sent so many thousands to that great conflict, there will be a feeling of deep sympathy for his wife and family who survive him, together with a feeling of pride that the empire produced so great a soldier at such a time of stress.

But the speech with which His Majesty's representative has been pleased to meet this parliament is remarkable more for what it does not say than for what it does say. I fancy that there is some measure of satisfaction, perhaps, in the mind of the Prime Minister because he has concluded that if the country has prospered so well without his doing anything, it may be desirable to continue that inaction in the future as in the past. I fancy some such thought as that was in his mind, and in the mind of the Minister of Immigration (Mr. Forke), when the speech was being prepared. At any rate, the speech is sufficient for my purpose because it enables us to look at the affairs of this country from

three points of view; and no speech from the throne hereafter will be complete—in fact, that has been the case for many years past—unless it deals with Canada's affairs from three aspects, namely, the domestic point of view, the matter of our imperial relationships, and the international point of view. I shall venture therefore to direct attention to the speech with these three main divisions in view.

I do not think it necessary to refer to those portions of the speech that deal with the diamond jubilee and the celebrations incident thereto. My right hon. friend will find, as we all do, that it is a very excellent thing to bask in the reflected glory of the great; but at times it is necessary to walk out of the shadow.

Mr. LAPOINTE: Hear, hear.

Mr. BENNETT: I am glad the Minister of Justice approves of that remark, for presently I shall ask him to do the very thing he says he approves of.

If a review of the past brings us great joy, as it does, and satisfaction too, it also reminds us of the obligations of the present and the duties and responsibilities of the future. I am quite certain that my right hon. friend has on very many occasions during the year that is past and the celebrations in which we have been engaged tried to remember that he is Prime Minister of Canada and not the leader of a party; but I will confess that I found it a little difficult to follow his reasoning in associating himself with a statement as to our status—and I think the report in the newspaper must have been incorrect—in connection with the visit to Canada of Their Royal Highnesses the Prince of Wales and Prince George and the Prime Minister of Great Britain, Mr. Baldwin. If my memory serves me, the heir to the throne laid the foundations of the old buildings that stood on this site, and he found it not difficult to visit this country notwithstanding the then status of Canada. Furthermore, if my memory serves me, the Lord Chancellor of England, keeper of the great seal, who had never left England and is supposed to have the great seal in his custody at all times, visited Montreal. So that I cannot see very much connection between the visit of Their Royal Highnesses and the Prime Minister of England, and the constitutional position to which reference was made. My thought was that there must have been some mistake in the report of the speech of my right hon. friend rather than that he said what was attributed to him in that regard. For after all the visits to Canada of the heir to the throne and the Prime Minister of Great Britain had about as much to do with the constitutional status of this country, I suppose, as the appointment of a minister to Washington; I should think they had about the same relation one to the other.

Now, Mr. Speaker, having disposed of that matter, I observe that the speech from the throne refers to the fact that there is evidence that this country has been placed upon a sound economic basis; and to establish that fact reference is made to certain conditions that obtain with respect to increasing revenues, the growth of employment and building construction, railway receipts and business conditions generally. Well, all I can say with respect to that is that it is not probable that when the speech was written great attention was paid to the trade returns nor yet to the unemployment figures. The fact is that we sold less by fifty millions this year than we did last, and we bought from other countries eighty millions more than we did the year before—eighty millions, a great portion of which should have been made in Canada and employment given to Canadians who are now idle. I am sure the members of this house must have observed that the Premier of Manitoba has just sent a memorandum down to this government asking for assistance with respect to unemployment. If you will look at the young, vigorous men who are employed in shovelling snow in this city you will realize the lack of employment that prevails in Canada. The figures of employment are the figures that are given by employers in industry who send reports to the statistical department as to the number of people they employ. In the city of Calgary a much larger sum was expended last month in taking care of those who are unable to find employment than for some time previously. The same may be said with respect to other cities in this dominion. Therefore so far as the statistics of the department with respect to employment are concerned, they are merely a record of the number of men and women relatively employed in industries that make reports to Ottawa; the official figures do not deal with the number of unemployed men and women who are without occupation today because we are buying $80,000,000 more goods from other countries this year than we did last, goods that should have been made in Canadian factories.

Then with respect to the railway figures: I am sure the gentlemen responsible for that speech have not closely analyzed those figures, because if the condition that prevailed last year is to continue for another three years, the railways will have no net revenue at all. The truth is that the Canadian Pacific railway earned last year $3,76[illegible],000 more gross than

the year before, but the net receipts were $4,700,000 less than they were in 1926; and the Canadian National railway system, while increasing its gross revenues by $2,692,000, decreased its net revenue by five and a half million dollars. Now as its net revenues were only thirty millions it follows that if the revenue of the railway is decreased by five and a half millions every year it will only be five or six years before it has no revenue at all.

Then we come to the question of our trade. I will not on this occasion deal at length with this question, but I do desire to point out the real foundation upon which our present economic prosperity rests. The truth is that the population of this country has not increased during the last five years; I shall show presently that it has decreased. The truth is that a lesser number of people, inhabiting the same area, have been creating new wealth more rapidly than they did before. They have been utilizing the great resources of science and scientific investigation, improved machinery and equipment, and they have been increasing the natural wealth of this country at a very rapid rate indeed. Let us see what the figures indicate with respect to that. Last year two billion dollars of wealth were created by the Canadian people, and we sold to the people of the world 1,218 million dollars worth of goods. But what were the goods we sold? We sold $281,000,000 of wood and paper; we sold metals and minerals of all kinds worth $181,000,000, and we sold of grain and grain products $447,000,000 worth; making a total of $900,000,000 of products that we sold out of a total of $1,218,000,000, leaving only $318,000,000 to be otherwise accounted for. Now what did the production of wood, paper, metals and minerals, grain and grain products mean? It meant first a decline in the productivity of the soil that produced them. It meant the absolute exhaustion of mines and minerals that cannot be replaced, and it meant, with respect to wood and wood products, the depletion of resources which are utterly lost, at least for our life time, and which according to careful statisticians we shall be altogether unable to replace within a period of at least twenty years.

So that the sound financial basis upon which this country's prosperity now rests consists merely in this: we are selling our estate, which is being rapidly exhausted. That is all we are doing, and there can be no permanent prosperity in any nation whose present prosperity depends upon the sale of its fixed assets. If you sell lands, minerals, trees and the products of lands—if you sell these things—you will not produce any permanent prosperity. Our forests are being depleted, our wood products are being sold, products that will not be replaced in our lifetime. Mines, minerals and mineral products, and the products of the soil in the way of grain, are being sold to the extent of over $900,000,000 per annum out of a total of $1,200,000,000 odd, according to the figures for the past year.

There is another fact to be considered in seeking to find the causes that have led to this result. We have had in Canada during the last year a very bountiful harvest; indeed, Providence during the past three years has favoured our people with quite abundant harvests. I say therefore, that it is conclusively shown, that the result which I have just indicated has been brought about notwithstanding the fact that farmers and artisans engaged in production to-day are lesser in numbers than they were five years ago. So that the only inference is that there has been an increase in energy and hard work on the part of Canadians who have made possible this increase in the temporary prosperity upon which apparently we are relying.

Let us look at the facts. I find, in the census reports which were distributed a short time ago, that the population of Manitoba, in round numbers, was 610,000 in 1921 as compared with 639,000 in 1926, an increase of only 28,000 odd; in Alberta there has been an increase from 588,000 in 1921 to 607,000 in 1926, an increase of 19,000; while in Saskatchewan the population has risen from 757,000 in 1921 to only 821,000 in 1926, an increase of 63,000. These figures give the situation in regard to the population of the provinces mentioned. But what do we find when we look at the immigration returns? During that same period there were actually brought into the province of Manitoba, and distributed by the Department of Immigration and Colonization, 40,397 persons; in Saskatchewan, 58,487, and in Alberta 78,660. And if we take the natural increase on the basis of the provincial figures we find that we lost over 100,000 in these three provinces during the five years from 1916 to 1921.

As to the basis on which our prosperity is to be achieved, what are the facts? The facts I have given come from the statistical department, but it is not enough to rest the case there; let us see how many farms have been under cultivation. The number of farms occupied in Manitoba in 1921 was 53,252, and in 1926, 53,251. In Saskatchewan, in 1921, there were 119,451 farms under cultivation as

compared with 117,787 in 1926, and in Alberta, while there were 82,954 in 1921 the number in 1926 was 77,130. The total acreage under crops of all varieties has increased in these provinces, in Manitoba by something like 400,000 acres, and in the other provinces correspondingly. I need not go into details. The point I make is this: the considerable accretion of new wealth which we have had in the country has been attributable to the development of our natural resources and to the crops that have been reaped by our husbandmen, as well as to the minerals and metals taken out of the soil and to the forests that have been denuded of their trees. These are facts that cannot be controverted in the light of the returns made by the various departments affected. So that the courage, skill, enterprise and hard work of Canadians have made possible the various increases to which I have alluded as having occurred during the years that have passed. But concurrently there has been a steady diminution in the population that has effected these results, and to that I shall presently refer. So much for this phase of the subject.

Let me come now to another point mentioned in the speech from the throne—and perhaps it is well to mention it here, inasmuch as this is the most appropriate stage at which to discuss it: I have reference to the statement with regard to the Dominion-provincial conference. We are told that a great conference took place in this capital, as indeed there did, and that a large number of very important subjects were considered. May I venture to suggest to the first minister that it is highly desirable that this parliament should have laid before it a precis of what took place at that conference? I am not for a moment suggesting that the explanation given the other day is not wholly adequate from the standpoint of those who participated in the conference; naturally they would not desire to have their discussions made public. I can quite understand that; had I represented one of the provinces I should certainly have felt that way myself. But when we are asked, as we are, to deal with the matters discussed at the conference, it seems to me the proper course would have been to prepare a precis which might have been signed by the respective representatives from day to day or at the conclusion of the conference, in order that parliament might have something on which to proceed intelligently and which it could fully understand. Such a precis would enable us to understand what took place at the conference. I observe from the speech from the throne that certain measures will be introduced as a result of this conference. These are purely domestic matters, and I note that at an early day we may expect the introduction of these measures, and when they are before us we shall consider the problems involved. But what about the provinces? The province which is oldest, posibly, in point of settlement, and certainly the second largest, has already given its view of the matter. While we in this parliament have before us what this government has to say with respect to the conference, may I also direct attention to what the government of the province of Quebec had to say on the subject on January 10 last. The following words occur in the speech from the throne as delivered in the legislature of Quebec:

> An interprovincial conference was held in Ottawa in November last. All the provinces of the Dominion were represented there, and questions of the greatest importance were discussed. My ministers believe that Canadian unity and the future of Canada will be best assured by respecting provincial autonomy and by all remaining loyal to the British North America Act in spirit as well as in the letter. This declaration is the more timely in view of the celebration in 1927 of the sixtieth anniversary of the Canadian confederation. The progress hitherto achieved, marked by such splendid festivities, should move us to forestall any possible source of discord.

So that the conference was a possible source of discord—this conference about which we have been told so much. In the view of His Majesty's advisers of the province of Quebec it was not a conference making for Canadian unity but one, rather, which constituted a source of discord. I should like, and I am sure the country would be glad too, to hear the Prime Minister explain just how the conference may have been a possible source of discord, something that may possibly disturb Canadian unity, according to the view of the legislature of Quebec. I should think, in view of that statement in the speech from the throne presented to the legislature of that province, and, further, in view of the speech which we have heard in this parliament, that it is highly necessary—indeed, I consider it absolutely essential—that we should have before us some precis with respect to what took place at the conference in order that we may be able to reach our own conclusions in the matter.

I gather that my right hon. friend had something of this kind in mind when he made a speech in the great city of Quebec while attending a banquet given in honour of one of his colleagues. On that occasion he used, or is reported to have used, these words:

> Since the government of Canada is but the executive of parliament, announcement of what had been agreed upon would have to wait until parliament assembled.

That does not seem to be unfair, but unfortunately what is it that we are to depend on? Is it to be by word of mouth of ministers who are telling the story and who may not know what happened? Will it be by means of the speech from the throne, which deals only in vague and glittering generalities? Will it be by means of measures that appeal to the government but perhaps not to the several provinces? I think if it was important that at the imperial conference there should be kept a precis of what took place, far more important is it in the domestic issues of this country that we should have laid before us a complete precis of what took place, in order that we may be able to ascertain for ourselves just what are the respective views of the Dominion and of the provinces.

The next domestic matter to which I refer is one that was touched upon at that conference, and one with respect to which I desire to make but a few observations. We had last session presented to this parliament the so-called Duncan report—a Duncan report which the Prime Minister anticipated might possibly rank with the historic Durham report as one of the great documents affecting the life of Canada. That report was tabled. The leader of the government accepted it; the leader of His Majesty's opposition accepted it; the people of the maritime provinces accepted it and expected it to be entirely implemented, and I rejoice that provision has been made for continuing during the present year at least the subsidies that were provided for under that report by parliament last year. But there still remain many matters to be dealt with by this parliament before that report is implemented in its entirety, and I can only hope, indeed, I am quite confident, having regard to what was said by the Prime Minister last session, that every reasonable effort will be made by the government this session to see to it that there is no possible cause for complaint on the part of the provinces affected by reason of that report not being implemented in its entirety. I will not at the moment do more than leave it in just that position.

I next turn to another matter which was dealt with at that conference, and one which is I think as important a subject as has engaged the attention of this parliament in recent years. I refer to that paragraph in the speech from the throne which deals with the return to the province of Alberta of its natural resources. Let us for a moment consider the position of the government with respect to this matter. I should like this House to remember that this is not a new matter. The right hon. gentleman who leads this house has prepared seven speeches from the throne. He has prepared and placed in the hands of the representative of the sovereign seven documents dealing with national questions and problems—one in 1922, another in 1923, another in 1924, another in 1925, two in 1926, and the one that we are now considering. Let us for a moment see how on the threshold of his career as Prime Minister he dealt with the matter of the return to the provinces of their natural resources. Here are his words:

> The long standing question of granting the control of the natural resources of three western provinces to their respective provincial governments has engaged the attention of my ministers. Sympathizing with the desire of the authorities of these provinces, which have now advanced to maturity, to have the same control and management of their resources as is possessed by the older provinces, my government have made a proposal to the governments of the several provinces concerned, which it is hoped may lead to a satisfactory settlement of the question at an early date.

Those of us who have lived in western Canada since 1900 will recall the circumstances under which the provinces were induced to accept money instead of lands; will recall the election that was conducted in 1905 and the vigorous appeals that were made to the electorate of those provinces to accept money rather than resources. When I look at the Minister of the Interior (Mr. Stewart and recall the fervid eloquence with which the Liberal party told the electorate of the great benefits that would accrue to them if they accepted money instead of resources—well, it was a matter of consolation and joy to me to read in the speech from the throne that these people had now advanced to maturity, and that the government sympathized with them in their desire to control their natural resources.

The next year came. In 1923, 1924 and 1925, no reference was made to natural resources, but negotiations were taking place. But in 1926, at the end of the speech from the throne, occur these words:

> Your attention will be invited, among other measures, to a bill to provide for the transfer to the province of Alberta of its natural resources, and to a bill amending the Dominion Elections Act.

The agreement upon which that bill was based was signed on behalf of the government of Canada by the hon. Minister of Justice (Mr. Lapointe) and the hon. Minister of

the Interior (Mr. Stewart), and on behalf of the province of Alberta by the Premier of Alberta and the Minister of Railways of the province, Hon. Vernon W. Smith. There is a promise given by His Majesty's representative that a bill would be introduced to return its natural resources to the province of Alberta. Well, that has not yet been done. But I find that last year there was referred to the Supreme Court of Canada a question for determination and settlement, under an order in council which reads as follows:

> The committee of the Privy Council have had before them a report dated June 24th, 1926, stating that as the result of certain negotiations looking to the transfer to the province of Alberta of the public lands within that province, now vested in the crown and administered by the government of Canada for the purposes of Canada, an agreement was entered into on the 9th January, 1926, between the governments of the Dominion of Canada and of the province of Alberta, respectively, whereby it was agreed that certain provisions of the Alberta Act should be modified to the intent that all crown lands, mines, minerals and royalties within the province, and sums due or payable for such lands, mines, minerals or royalties should, from and after the coming into force of the said agreement, belong to the province, subject to any trusts existing in respect thereof and to the several other terms and conditions particularly set forth in said agreement. Subsequently, the two governments agreed upon certain additional provisions to be inserted in the said agreement relative to the transfer and administration of the School Lands fund and certain specified school lands, to parks and forest reserves affected by the agreement, and to the rights and properties of the Hudson's Bay Company. Notice was given by a resolution that a bill would be introduced into parliament, at its present session, to approve and give effect to the said agreement as so modified, but a question having been raised as to the constitutional validity of section 17 of the Alberta Act, relative to the subject of education and schools within the said province, it was decided not to proceed with the proposed legislation as drafted until this question of doubt could be authoritatively settled.

That matter was considered by the Supreme Court of Canada on the 7th of March and on the 20th of April, 1927, and on the last mentioned date a judgment was given unanimously deciding that the statute was constitutional and that the Alberta Act in every particular was within the legislative competence of the parliament of Canada. That was the unanimous judgment of the Supreme Court of Canada, given in answer to a reference made to it by the governor in council in which the specific question was asked, twenty-two years after the enactment of the legislation, as to whether or not it was within the constitutional competence of parliament to enact it. That question having been answered, as I have said, in the affirmative, one would naturally have expected that the lands, mines and minerals would be turned over to Alberta and the promise given immediately implemented. But what happened? One would have thought, especially in view of the discussions that took place in this house as to our equality of status with relation to other sections of the empire, that the judgment of the supreme court would have been at once accepted, and action taken by the government accordingly. But what was done? Instead of that proceeding being taken, an application was made by petition to the judicial committee of His Majesty's Privy Council in England for the purpose of hearing an appeal when there was nobody to appear in the case as respondent. I happened to be in London a few days after, and I saw the transcript of what took place. When Mr. Lafleur, representing the Minister of Justice of this Dominion, appeared for the purpose of presenting his petition—mark you, a petition to the Privy Council from a judgment of the Supreme Court of Canada, about which we hear so much, and to which I shall presently allude—when he presented his petition he was asked, who were the respondents? There were none. To whom did you give notice, he was asked? To nobody. And then he was told to hunt up a respondent somewhere in order that they could get on with the case; and so to-day, as far as I can find out, before the province of Alberta can get its resources the Minister of Justice must find a respondent to appear before the Privy Council.

But that did not end it. If it had ended there one might regard it as somewhat amusing. My friend the Minister of Justice will remember that last session, discussing the question of our constitutional status, he declared with great deliberation that it was the fixed aspiration of the French-Canadians to prevent appeals to the Privy Council. At page 1713 of Hansard the Minister of Justice, speaking of the Nadan case, said he thought it was well decided. He said further:

> So that that is not the feeling that animates me, but to alleviate the fears of my hon. friend with respect to Quebec I will tell him that the men in Quebec who represent really the aspirations of French-Canadians are applying to have the appeal to Privy Council done away with.

That is the same Minister of Justice who presents his solemn petition to His Majesty the King to permit him to take an undefended case to the Privy Council with a judgment in his favour.

I suggest that the government, without further delay, return to Alberta its natural resources. I raised no question in this House

—because I appreciated the difficulty of the situation—when the hon. Minister of Justice referred to the Supreme Court of Canada for its opinion the question I have just mentioned. That opinion having been unanimously given, I thought, and still think, that it was the bounden duty of this government without a moment's delay to give effect to the aspirations of the province of Alberta, with which province five years ago they had such sympathy. It is idle to disguise the fact that this long delay has created the most unfavourable opinion with respect to the whole situation, and nothing will remedy the matter more quickly and bring about that unity of thought and action so much desired in this country as to give effect to that opinion at once. But further; suppose the Minister of Justice had succeeded in getting to the Privy Council, what should we have had? Lord Chancellor Loreburn said that the answers given to such questions are not binding in litigation and have no greater value than the opinion of the law officers of the crown. We have the opinion of the law officers of the crown; we now have the opinion of the Supreme Court of Canada, which is no better, according to the Privy Council, than that of the law officers of the crown; then why should we delay? That is the question the people of the west are asking this house. It is a question which is highly relevant and should be answered without further delay.

With respect to this interprovincial conference I find that the railways were also discussed in this connection. Now, is parliament to be treated in this way? Is parliament not to be told what the discussions were? Are we to have no idea what they were until legislation is introduced by which we will have to pay $14,000,000 or $15,000,000 for railways in British Columbia? Is that the way the matter is to be treated? I recall how the Minister of Justice before 1921 used the strongest terms—terms I would not use now in my amiable frame of mind; terms so strong, so emphatic, so embittered that I should not think a peaceful man like the Minister of Justice could use them. We now find that these railway problems are being considered by the cabinet, but we are not told whether the Pacific Great Eastern is to be taken over, or what is to be done in regard to the Edmonton and Dunvegan railway. These matters are not discussed, and my hon. friend has stated that he had not time to discuss them, although he was present at the conference.

Then there is another matter that illustrates the attitude of the government towards parliament. Speaking of the Hudson Bay railway, we were told last year that an eminent engineer was to consider the tidal and estuarial conditions at the port, but no statement was made as to whether he thought Fort Churchill was a better port than Port Nelson or that without regard to parliament the change would be made. When the matter first came up for consideration in this house the government of the day was led by Mr. Borden, now Sir Robert Borden. On that occasion Mr. Graham made this statement in the house:

> I will admit this; that I think the necessity of the construction of a much longer line of railway to Churchill may have had considerable influence in the selection of Nelson. But just at the time the selection was under discussion, or practically had been made, the government changed, much to the detriment of the country, and my successor was neither satisfied with the contract nor with the port of Nelson; so he stopped the contract, and stated he would see whether there was anything wrong with it. Then he made a trip to Nelson himself, and came back enthusiastic about that being the proper port. I refer to the late Mr. Cochrane. I do not pretend to be practical myself, and I simply based my selection on the information given by the engineers at that time. This was confirmed by my successor in office, Mr. Cochrane, but, as I said before, it is possible the shorter mileage of railway construction might have had something to do with the selection of Nelson...

It is not a question of the respective merits of Port Nelson and Fort Churchill that I desire to draw attention to at this point, but rather the fact that in 1911, before the Laurier administration left office, Mr. Graham, as a result of perusal of the reports of his engineers, had fixed upon Nelson. That was sixteen years ago last fall, and now, on the sayso of one eminent gentleman, the terminus is changed to Churchill, several more miles of railway are to be constructed and $6,000,000 that have been spent are to be lost, or practically lost. But the most important part of it is this: that a minister of the crown announces that by radio, without reference either to council or parliament—

Mr. DUNNING: No.

Mr. BENNETT: Does the minister say he discussed it with his colleagues before he made the announcement? Is that the statement?

Mr. DUNNING: Yes.

Mr. BENNETT: My hon. friend announced it by radio, then, not on his own behalf alone but on behalf of himself and his colleagues, although his colleagues were at one place and

he at another; but in these days of rapid communication wonderful things can be accomplished. At any rate the communication having taken place and the announcement having been made, one would have thought that parliament might have been considered.

I read with some interest the debate which took place on this subject last year, and certainly you will not find within those pages, any indication that parliament left it to the Minister of Railways or the government to make an announcement of that character without at least bringing it to parliament. Although the statement was made, and the letter read as to what Mr. Palmer's instructions were, what he was to do, the fact is that most hon. members believed, as I did, that he was to make a report on the basis of which parliament could consider what action should be taken, rather than that it should be an executive act on the part of the government. However, the action has been taken, and the question whether it is well taken or otherwise will be determined not in our time but rather by posterity, and by that time I suppose neither the Minister of Railways nor any of us will be able to say how accurately Mr. Palmer guessed. But it is a singular comment on the institutions of the country that sixteen years after the selection has been made by two ministers, one a Liberal and the other a Conservative, one who visited the port and the other who did not, but relied upon the word of responsible engineers, their work should go for naught and all the moneys expended practically lost just because a tidal and estuarial engineer says he thinks the other port would be the better. I do think that that is not in consonance with sound economy and constitutional government as we have it in this country.

Again with respect to this Hudson Bay railway it is only fair to say that the very first speech I ever made in the old chamber was an appeal for the immediate construction of the railway, and I recall the circumstances under which the then minister went there for that purpose. There was a suggestion—and it is only right that I should say the Minister of Railways has intimated that the suggestion is rather the reporter's and not his—that political considerations governed with respect to the selection of the port. I refer to an interview in the Montreal Gazette. But my hon. friend has assured me that the inference drawn by the reporter there is only an inference.

Mr. DUNNING: The article says so.

Mr. BENNETT: I have it under my hand, and I do not think it says so.

[Mr. Bennett.]

Mr. DUNNING: I wish my hon. friend would read the article.

Mr. BENNETT: It is rather long.

Mr. DUNNING: Just the part relating to the inference.

Mr. BENNETT: If the page will go up to my room and bring me the newspaper I will satisfy my hon. friend.

Mr. DUNNING: If my hon. friend will permit me, the matter is of some importance because it relates to a very highly respected gentleman who is now dead.

Mr. BENNETT: That is just the reason I mentioned it.

Mr. DUNNING: And that is the reason I want the report correct.

Mr. BENNETT: I have it here:

The Minister of Railways had a brief chat with Premier King—

Mr. DUNNING: It is further on than that.

Mr. BENNETT: Yes, I have it here. My friend has looked it up since I spoke to him the other day.

Mr. DUNNING: Yes, that is right.

Mr. BENNETT (reading):

Mr. Dunning would not comment—

Mr. DUNNING: "Would not comment."

Mr. BENNETT (reading):

—on the costly blunder of the men responsible for the location of the terminus at Port Nelson,—

Mr. DUNNING: That is right.

Mr. BENNETT: There is only one inference. (Reading):

—where more than six million dollars has been expended since the inception of the Hudson Bay route. It is quite evident however that the decision to make Port Nelson the Hudson bay port was dictated by political rather than business motives.

That is the sentence, and it does not say that it is Mr. Dunning's or the reporter's.

Mr. DUNNING: Oh, no.

Mr. BENNETT: I go this far to say that when Sir Robert Borden saw that report he was so annoyed—I can go this far without violating any confidence—that he directed attention to the fact that during his official life he had never seen any minister whose regard for the public interest was so great as the late Frank Cochrane's, or one who was so willing to subordinate political considerations to the public weal. Because of that I

spoke privately to my friend about the article, and he told me that he had no intention to convey the implication that might be drawn from the document as it now reads.

Mr. DUNNING: Perhaps my hon. friend will permit me to say that I have on more than one occasion paid tribute to the absolute honesty of the late Mr. Cochrane's motives in connection with the whole of this matter.

Mr. BENNETT: Quite so.

Mr. DUNNING: To my mind no such inference can be drawn from this report as that now suggested, and I cannot be responsible for the reporter's words.

Mr BENNETT: Quite so. Not only that, but Mr. Graham himself said that it had been settled by his government before he left the administration.

With respect to this Hudson Bay railway project there has been a good deal of misunderstanding. The only difference that ever occurred between the two parties in this house, so far as I know, was whether or not we had the money immediately to proceed with its construction. I recall that in the first speech I made in the old chamber in moving the address in reply to the speech from the throne, I urged the immediate construction of the railway, pointing out that by 1914 it should be available as an outlet for the western crop.

Now, let us go a step further. I mention this because I observe that parliament is not being consulted in relation to this expenditure. Neither is parliament being consulted with respect to capital expenditure by the Canadian National Railways in the harbour of Halifax. Parliament has not given any authority for that expenditure. I would also point out that there are two sections in the Railway Act of which I think it might be well for the government to take cognizance. In section seven of chapter 171 of the new revised statutes it is provided that:

> The minister shall have the management, charge and direction of all government railways and canals, and of all works and property appertaining or incident to such railways and canals, also of the collection of tolls on the public canals and of matters incident thereto, and of the officers and persons employed in that service.

Chapter 172, dealing with our National Railways, contains this section:

> Whenever under the provisions of the Railway Act, or any other statute or law, the approval, sanction or confirmation by shareholders is required, such approval, sanction or confirmation may be given by the governor in council.

The speeches that were made in this house last session by the right hon. the Prime Minister and by the Minister of Railways and Canals, particularly that portion of the latter's speech in reply to the member for West York (Sir Henry Drayton), indicated that in their opinion those words should be construed to mean that no money should be expended without the antecedent sanction of parliament. I direct attention to these expenditures that are now being made and to the contracts that have been entered into involving large sums of money, all without the sanction of this parliament, because that which cannot be done directly cannot be done indirectly, as the courts have so often ruled—I direct attention to these matters in order that we may take such steps as may be thought desirable to settle the issue once for all, because if this house desires that expenditures may be made without the antecedent sanction of parliament, then let us say so; but do not let us place upon the statute books provisions with respect to capital expenditures on our national railways requiring the antecedent sanction of parliament and then go ahead in direct disregard of those provisions.

Now, sir, I pass rapidly to the next domestic matter that I think of great importance, and that is immigration. It is true that immigration is by all odds the most important question that can engage the attention of this house or of this parliament. I find that in every part of the Dominion there is a state of unrest in the public mind—suspicion with respect to the manner in which the department is being conducted, suspicion of its administrative power, belief that political considerations have influence in connection with getting permits for the admission of settlers. You will find these things in every newspaper you take up, in the dispatches from its correspondents and in the editorials, and they are discussed in synods and other church meetings. It is high time that something be done to put the power of parliament unitedly behind an effort to bring people over and settle them in this country. We cannot continue as we are and maintain our present position very long. It is essentially important that we should induce more settlers to come to this country. I have pointed out this before, and I repeat it now. I observe in the speech from the throne a statement with respect to settlement that I hardly think was made in the light of the figures, for I find that the record is as follows: In 1920 we brought from the British Isles 59,603 settlers, and from European countries 8,077. In 1926 the figures were 37,569 and 39,717 respectively. For the last

calendar year the figures are, from the British Isles 49,782, and from other European countries 73,182. How, then, my friend could write into the speech from the throne this statement with respect to immigration I find a little difficult to understand:

There has been a substantial increase in the number of British immigrants as well as the number of immigrants of a suitable type from the continent of Europe.

Well, the figures show that while immigration from the British Isles has increased, it has increased much more rapidly from continental countries; that while we had 37,000 odd from the British Isles in 1926 and 39,000 odd from other European countries, last year the figures were 49,000 odd from the British Isles and 73,000 from other European countries. I leave the question to be dealt with by the government.

But I want to go a step further with respect to this question, because the government has a history in this regard, and I think it time this country realized just what that history is. I have already said that this government has prepared seven speeches from the throne; let us see what they have said on the question of immigration, and ask the people of the country to judge on the most important question that can engage public attention at this time, what is being done and what has been done. We will look first at the speech from the throne in 1922, and see the statement with reference to this question of immigration. It is as follows:

The stream of immigration to the Dominion was much interrupted and restricted during the war. Now that the blessing of peace is with us, a renewal of efforts to bring in new settlers must be made. My government are fully alive to the importance of this question and will use every reasonable endeavour to attract to our country people of the most desirable class, with particular regard to settlement on our undeveloped lands.

That was in 1922. A further statement was made in 1923, to this effect:

The matter of securing an increasing flow of desirable settlers to develop the large areas still available for cultivation in Canada has had the serious consideration of my advisers. Additional and general publicity campaigns have been launched in Great Britain and the United States, and, as opportunity offers, will be extended to other lands from which a suitable class of settlers may be attracted. In other particulars, the activities of the Department of Immigration and Colonization are being expanded.

In 1924 nothing was said on this subject, but in 1925 we again have some semblance of activity:

To aid in an increase of production, through the development of our vast natural resources, every effort is being made to attract the right class of immigrants to Canada, and to secure their settlement in the undeveloped areas served by our great transportation systems. In due course steps will be taken to further colonization and settlement in other fertile regions such as those of the Peace River.

Then again in 1926 they had one more try out:

An agreement has been made between the government and the railroad companies providing a larger measure of co-peration in immigration activities in the British Isles and on the continent of Europe. An agreement entered into with the British government has already been instrumental in stimulating immigration from Great Britain.

While it is of importance to attract new settlers it is equally, if not more important, to assist those who are already established on the land by reducing the cost of agricultural production. To this end a measure will be introduced offering wide facilities for rural credits.

I have already read that part of the speech from the throne delivered in 1927 dealing with this question, and I gave the census figures for 1916 to 1921 and for 1921 to 1926; those figures have been placed on record, and they indicate that although we have sent a few settlers west, many of them have left the country; they entered at the front door and left by the back, and we have not even maintained our natural increase. Further than that, in no one year since 1921 have we brought into Canada half as many people as were brought here in 1913. Those are the facts and the figures.

Now, Sir, this question transcends party; it is larger than the lives of parties because it strikes at the very life of this Dominion. We must have settlers. We have in Canada facilities to take care of an additional population of from 15,000,000 to 17,000,000 people; we have 10,000,000 acres of untouched land within 20 miles of the railways; we have the Peace River area and other portions of the country which are lying idle while the government is expressing pious hopes as to what will happen. I say the time has come when action must be taken.

It cannot be done in any small way; it cannot be accomplished in any niggardly way, but it must be done in a large way. It involves the expenditures of vast sums of money and, more than that, it involves a large and comprehensive policy of settlement. I suggest to the Prime Minister that the committee on agriculture and colonization or a special committee of this House, one or the other—and I would prefer the latter—should meet to hear the evidence of the presidents of our great railways, of the minister, the deputy minister and the officials of the de-

partment and, further, that we should bring here the men charged with this work overseas. I am sure they would come, at their own expense if necessary, to give us the benefit of their experience in other lands. I say again that this committee and this house should hear the story in its entirety, in order that the people may have their unrest and their suspicion with respect to the conduct of this department removed. I think it highly important that this should be done, and I do ask my friend in all seriousness whether he does not think that either the standing committee on agriculture and colonization, or a special committee appointed by the house, should deal with this question.

Within the last three hours I had a cable from a friend of mine in London who is tremendously interested in this question, saying that the regulations now in existence are preventing people from coming to Canada. He said also that the new medical regulations were absurd, to give his exact words. I am not going to pass judgment upon them myself; I was very careful to tell the house that this was a cable from a friend vitally interested in these matters, not in any sense from a political point of view at all. Everywhere men and women are interested in this question; I recently had a letter from London giving me the very figures which I quoted with respect to British and continental immigration. I checked them up at the Bureau of Statistics and found them correct in every detail.

These are the conditions under which this department is being administered. It is a crying shame that this country is not getting additional settlers. We have here the greatest area of vacant land in the world, crying for settlers; we have productive lands and we offer great opportunities, and we must do something to deal with this problem.

There are two problems to be dealt with at the same time; one is to conserve the present population, a big problem in itself, and the other is to secure additional settlers. On the one hand we have to maintain the population we have, and on the other we must induce additional settlers to come here. These two problems are allied and connected; the one is the complement of the other, and unless the government takes such measures as will secure the safety and employment of those men who come to our country in the first instance, and thus conserve our present population, they certainly will not succeed in meeting the second problem, which is the movement of people to this country. We do not want to bring people here merely for the purpose of sending them on to other countries. That is not what we desire to do, and I do suggest in all good part to the right hon. Prime Minister, that some effort be made to deal with the matter along the lines I have mentioned. Then when intelligent men, seized with the whole circumstances and with a high sense of their responsibilities and obligations, make recommendations of a practical character, we may hope to have them carried out. I do know this, sir, that from time to time articles appear in the public press suggesting that we should deal with these matters entirely outside of government; that we should set up a great body which would deal with them as a commission. That does not appeal very strongly to a great many of the Canadian people, but the fact remains that the suggestion has been made from time to time, and it should be considered by the committee dealing with this matter. Other suggestions have also been made; I suppose most of the members of this house consider from time to time the reports coming from overseas with respect to migration and the vast sums of money which have been made available to prospective settlers. Large sums, relatively, have been allotted for the purpose of sending people to this country and to other parts of the British Empire; settlers are going to Australia and they are coming here, but the unfortunate fact is that the figures indicate that as far as we are concerned this has been almost a total failure, and I do think the time has come when some effort should be made in the way I have suggested.

The only other domestic matter on which I desire to speak is the customs report. In that respect I am only going to say this, that there could have been no more ample vindication of the expression of opinion by the hon. member for Vancouver Centre (Mr. Stevens). Nothing more clearly indicated the conditions under which the revenues of this country were being lost to the exchequer than that report, and nothing more amply indicated the wrongs which were being committed under political protection and under the protection of the law in various parts of Canada. I suppose my friend the Minister of Railways (Mr. Dunning) realizes what was said by counsel for the commission at Regina when dealing with the Bronfman cases; I suppose other gentlemen have realized what occurred with respect to prosecutions in the province of Quebec, and in all sincerity I say to my friend the Minister of National Revenue (Mr. Euler), that when this report is considered by this house, as it will be when the legislation which is to be introduced following that report, as promised in the speech

from the throne, is brought down, he will be expected to produce some better answer than the mere glorifications which have appeared in the newspapers as to the efficiency with which his department has been conducted.

This parliament has been flouted with respect to the customs enquiry. It solemnly passed a resolution in which it said that the judges should be appointed by the judges of the exchequer court, and they were so appointed in the first instance. When the change of administration took place an order in council was substituted for the voice of the judges of the exchequer court and a political tribunal—not using the words in that sense with respect to the judges—a political tribunal was set up and eminent counsel, a member of the Liberal party was appointed in connection with it. But information placed in their hands was not acted upon. I say now to the minister that the action of this parliament in demanding that prosecutions take place, naming the persons that should be prosecuted, naming the persons from whom money should be collected before the proper forum—and that forum did not mean a lawyer's office in Toronto but a court of law —was ignored. I say that when that action was taken and when those resolutions were arrived at they meant that this House of Commons demanded that action should be taken; and I say to the minister that when his legislation comes before this house—without taking up the time of parliament in going into the matter now—I hope that the names of these people will be given and some reasons offered parliament and the public why these prosecutions have not taken place. I say to my right hon. friend in all sincerity that he and not someone else has now the responsibility in this matter. I sympathized with my right hon. friend when he said to me in days gone by how difficult it was for the first minister to be able to know what goes on in every department of the public service. And that is the correct statement of the situation. However, I suggest to him that notwithstanding pressure of work he will find ample opportunity for satisfying his curiosity—shall I say?—if he will investigate the report that has been laid upon the table of this house.

There is only one thing more I desire to say with respect to the domestic situation, and that is in connection with research. I am wholly in accord with the suggestion made by the Minister of Trade and Commerce (Mr. Malcolm) that we should provide large sums of money for research. We have research with respect to animal husbandry, with respect to grain, with respect to field harvests, with respect to forests, with respect to fisheries. And here I observe that the government has appointed a fisheries commission to deal with certain matters in connection with the maritime provinces. I hope that the report of this commission will be laid upon the table before the house rises and at the earliest possible moment, because it is important that whatever is proposed in connection with fishery matters should be considered by parliament in the light of the evidence taken by that commission. But with respect to research, may I make this observation: Nothing is more fatal to research than duplication of effort and waste of public money; and no laboratory work is worthy of the name—the Prime Minister knows that so well—that is conducted under departmental supervision, as just a little branch of a department with a deputy minister at its head. That is so in connection with the Department of the Interior and of forestry research matters. But these things cannot be done in that way; it is a waste of public money. I have endeavoured to make some investigation into the matter. I have made some enquiries with respect to the work done, for instance—my right hon. friend is thoroughly familiar with it—by the Rockefeller institute and the Carnegie foundation; also work done by other foundations in Great Britain, and work being done in the universities. If we are going to have duplication of effort it will be money wasted without accomplishing any results at all. I want to say on behalf of the Conservative party, and every member of it, that we desire in every way in our power to make possible the development of research facilities in this country in order that young Canadian men and women may find employment; there is nothing comparable to it. I speak particularly of young women because some of the best work done in connection with the Department of Agriculture, as the minister himself will tell you, is done by young women who have adopted that particular field of activity.

There is one other important matter I will speak of, and that is with respect to the uniting of the Department of Health with the Department of Soldiers' Civil Re-establishment. Many of the men who have returned from the front are opposed to uniting their department with any other department; but it may be that there is such a close relation between their disabilities and the Department of Health that such a union can be satis-

factorily carried out. I reserve to myself the right to speak upon this subject when I have heard further details with respect to it.

I have been amazed that the speech from the throne contains no promise with respect to the matter of pension legislation. Last year when I introduced an amendment the Minister of Health (Mr. King, Kootenay) and the Minister of National Defence (Mr. Ralston) both rose in their places and promised that at the ensuing session legislation would be introduced dealing with the matter. It may well be that such legislation will be introduced, but it seems to me that if such is contemplated the speech from the throne would have been the most suitable place in which to have announced it. As I travel up and down the country I come into contact with increasing numbers of men who are unfit for work, men who are ill and broken in health. They have been given the same answer time after time, "This is a post-war disability", and they can get no consideration from the department at all. This seems remarkable to those who saw them leave for the front in the enjoyment of robust health. They have returned with broken down constitutions and they are told that their state of health is a post-war disability. Such treatment is calculated to make men not only indignant but resentful, and I should be most happy if some action is taken which will prevent any further delay in dealing with these cases.

I desire to make two or three observations with respect to another matter that was touched on in the speech from the throne. I find that there have been during the last few months since the house rose constant reiterations by the Prime Minister and the Minister of Justice on the question of the alleged equality of status of Canada with other parts of the empire. That has been mentioned times without number. It has been mentioned by visitors; it has been mentioned by the Prime Minister. Now it is as old as Aristotle that you must consider the government from three aspects: The executive, the legislative and the judicial. The judicial branch of Canada must always be responsible for the interpretation of the laws of the country. Upon that body must rest the proper construction of the meaning to be given to the legislative measures of parliament on the one hand and the acts of the executive on the other hand. So that in the ultimate analysis it is upon the judiciary we must rely for the interpretation of our constitution or of our enactments. I care not how pious your resolutions may be or by whom they may be passed; I care not how much the House of Commons may resolute; how much the Senate may resolute; how many resolutions the Imperial conference may pass, unless and until, as Dicey points out, the King with the consent and assistance of the Commons and Lords—in this case the Senate and the House of Commons—in parliament assembled enacts legislation, there is nothing of which a court can take notice. Resolutions are not taken notice of by courts of law; and in the interpretation of the constitution of this country recourse must be had to the decisions and to the constitution in order to determine what they mean. Now when we say we have equality of status we are saying something that is untrue. In fact my friend the Minister of Justice has so said in parliament as I shall presently read. So as long as the Colonial Laws Validity Act remains on the statute book of Great Britain we have no equality of status. We may as well face these things. Nothing could be worse for this country than to tell the young men of Canada that we have equality of status when we have not. It is nothing more than a specious deception, I care not by whom these words may be uttered, because in the end the judicial branch of government determines the meaning of legislation and executive acts, and no later than 1926 did the judicial body, sitting in London, determine that the Colonial Laws Validity Act still had power. In the Nadan case it was decided that because the parliament of Canada had passed a statute that was repugnant to the provisions of a British statute it had no force, no power, and was invalid. In the light of this, how can any man say that we enjoy equality of status? Neither I nor those members sitting on the left of the Speaker yield to any person in the desire to have Canadians stand on an equality with any other people within the British Empire. But there is one thing we will not do—and in this regard I shall in a moment quote the language of the Chief Justice of Canada: we will not become parties to any subterfuge or any use of language which leaves the impression that what we aspire to has in fact already transpired. We will make no such pretence. There can be no such thing as equality of status so long as that British statute remains in force. What said the Minister of Justice in discussing this question? He advanced the view that the only means by which we might attain the end to which we aspired was through the repeal of the Colonial Laws Validity Act. He said:

> I think that what must be done is to repeal the Colonial Laws Validity Act on which that Judgment—

That is, the judgment in the Nadan case.

> —was based.

Therefore until such time as the Colonial Laws Validity Act is repealed—and I have no doubt that members of this house would like to know precisely what that act provides—it follows that there can be no equality. It seems to me that nothing could be more fatal, nothing more injurious than to have the younger men of this country wake up some morning and find a decision of the Supreme Court of Canada to the effect that certain legislation passed by this parliament was invalid on the ground that it was repugnant to the provisions of a statute passed by the parliament at Westminster. Nowadays most Canadians are under the impression that such is not the state of affairs. My right hon. friend the Prime Minister has gone about the country and discussed the question in such a way as to convey the impression that equality of status is an accomplished fact. But what is the real state of the case? In the very report of the Imperial conference the statement is made that sub-committees have been set up for the purpose of determining what should be done in the matter. Under the circumstances, therefore, let us in all conscience tell the people of the country really the situation is this—that we desire equality of status and that proper measures should be taken to achieve it. But do not let us pretend that that which we are striving for has already been accomplished, that that has been done which in fact has not been done. Until such time as the British parliament at Westminster repeals that statute to which I have been referring our inferior position must continue.

I have here the provisions of the Colonial Laws Validity Act, which I have no doubt will be of interest to some of our friends, and I will take the trouble to quote from it.

Mr. LAPOINTE: Do I rightly infer from my hon. friend's remarks that he will join with me in asking to have the Colonial Laws Validity Act repealed?

Mr. BENNETT: My hon. friend, confronted with the difficulty of his own situation, seeks to escape by asking someone else a question. He will find that I am too old to be caught in that way. I resort to the language of Mr. Gladstone, "I will prescribe when I am called in." But I will tell my hon. friend what I am prepared to do: I will use every endeavour in my power, so long as I occupy this position, to see to it that this country shall maintain a status of partnership within the British Empire on an equality with other partners in the commonwealth.

An hon. MEMBER: That was a good question.

Mr. BENNETT: The question is good, but another question suggests itself: what has been done about it? Why assert that something has been done which as a matter of fact has not been done? Would a man in ordinary life say that that was an accomplished fact which obviously was not? Let me illustrate. Around a table sits a family group of six, the eldest fifty, the youngest twenty-two, and they all claim equality. Suddenly the old family solicitor interrupts: "There is a family agreement somewhere that provides that the eldest son shall have the power to veto if you do anything at variance with what he has done." They look up the family records and discover that such an agreement exists. Well, that is the Colonial Laws Validity Act, which in 1926 the Privy Council declared determined the Nadan case; and the language of that act is that any statute which is repugnant to it in terms shall be invalid to the extent of such repugnancy. Although Sir John Thompson forty years ago put on the statutes of Canada a provision denying the right of appeal to the Privy Council in criminal cases, in view of the fact that in 1833-44 it was provided that the poorest subject in the empire might claim the right to petition the Privy Council, that provision being inconsistent with the statute passed by the parliament of Canada, the Privy Council in 1926 concluded in the Nadan case that the law invoked was ultra vires. Here are the words of the Colonial Laws Validity Act:

> Any colonial law which is or shall be in any respect repugnant to the provisions of any act of parliament extending to the colony to which such law may relate, or repugnant to any order or regulation made under the authority of such act of parliament, or having in the colony the force and effect of such act, shall be read subject to such act, order, or regulation, and shall to the extent of such repugnancy, but not otherwise, be and remain absolutely void and inoperative.

A committee of experts created to determine what action should be taken concedes absolutely that there is no equality until such time as legislative measures are adopted in the circumstances, and here we are going about the country assuring the younger men that we have equality of status, when we know perfectly well that it is not so and cannot be so until such time as legislation is enacted by the parliament of Westminster as well as by the parliament of Canada. And in this regard may I point out that the gov-

ernment of the province of Quebec, on the tenth day of this month, placed on record its view with respect to amending the British North America Act.

I will not at present do more than discuss our international situation as dealt with by the speech from the throne. An international situation arises in Canada on the Atlantic, on the Pacific and on the three thousand miles of territory that lie between us and the United States, and further by reason of our membership in the League of Nations. We have recently achieved a non-permanent seat on the council of the league. That was foreseen when we joined the league. When we became a party to the agreement we knew that one day we should secure one of these non-permanent seats, and we now have it. But I do think, and I believe the people of this country are beginning to conclude, that there is too little knowledge on the part of parliament as to what transpires in the League of Nations affecting this country. A great commission was set up on imports and exports, an economic commission on which Canada was represented. Canada agreed to certain conclusions. How many members of this house know what they were, and how much has parliament done to deal with the matter? What I fear is that we shall be charged with bad faith in the years to come because we have become a party to these recommendations without knowing what they are. How many members of this house are familiar with these reports? How many know the implications of them in every sense? Senator Dandurand, speaking on September 15 before the assembly, pointed out that Canada was the only nation in the world that had reduced its tariff four times since the war, and he rather boasted about it. He said that this was anticipating the report of the economic commission created by the League of Nations. My hon. friends will find the subject discussed in the verbatim report of September 15. There are difficulties in connection with the protocol which was rejected, and Mr. Chamberlain made the statement that rather than sign that protocol he would leave because it would mean the disruption of the empire. Yet later on Mr. Ramsay MacDonald bases a speech on the vague and indefinite observations of Senator Dandurand as to the desirability of the protocol being signed. I am bound to say I do not think Mr. Ramsay MacDonald was justified in founding his observations on what Senator Dandurand did say, because he did not make at all clear that he favoured the protocol, as was suggested. I think that is clear from the whole substance of his speech. But we are dealing with international events in countries thousands of miles away, and we are appointing men on committees and commissions to deal with these matters, and what does parliament know about them? Senator Dandurand refers to a dispatch sent by this government to the League of Nations in 1925. I suggest to the Prime Minister that there should be laid on the table of this house every communication that takes place between Canada and the League of Nations, so that parliament and the people of this country will know what is going on, because I do not desire that this country should be charged with bad faith in the years to come because we have appointed men on committees and commissions dealing with these international matters, who have made no report to us and we have no knowledge of these matters except the printed word as circulated.

Then there comes our relations internationally by reason of the appointment of ministers to this country on the one hand, and by reason of the proposal to appoint ministers to France and Japan. May I point out that there seems to have been a very great misapprehension on the part of some persons with respect to the use of the word "ambassador" and "minister" in years past? The word "minister" is used as between Great Britain and Canada. We are told that we are going to have a minister in Great Britain, and Great Britain is going to have a minister in Canada. I took the trouble, thinking my memory might be at fault, to look up these matters. I had desired to speak on them last year, but I was prevented by illness from doing so. A leading authority on international law says:

> Diplomatic envoys accredited to a state differ in class. These classes did not exist in the early stages of international law. But during the sixteenth century a distinction between two classes of diplomatic envoys gradually arose, and at about the middle of the seventeenth century, after permanent legations had come into general vogue, two such classes became generally recognized—namely, extra-ordinary envoys, called ambassadors, and ordinary envoys, called residents; ambassadors being received with higher honours and taking precedence of the other envoys. Disputes arose frequently regarding precedence, and the states tried in vain to avoid them by introducing during the eighteenth century another class—namely, the so-called ministers plenipotentiary. At last the powers assembled at the Vienna congress came to the conclusion that the matter ought to be settled by an international understanding, and they agreed, therefore, on March 19, 1815, upon the establishment of three different classes—namely, first, ambassadors; second, ministers plenipotentiary and envoys extraordinary; third, charges d'affaires. And the five powers assembled at the congress of Aix-la-Chapelle in 1818 agreed upon a fourth class—namely, ministers resident,

to rank between ministers plenipotentiary and charges d'affaires. All the other states either expressly or tacitly accepted these arrangements, so that nowadays the four classes are an established order.

That is the position with respect to that. Let us go a step further and see who may be accredited, and under what conditions men may be accredited from one state to another. I find it put in this short sentence: First of all, there must be a state, and a state is defined internationally to consist first of all of a people. There must, secondly, be a country in which the people has settled down. There must, thirdly, be a government, and there must, fourthly and lastly, be a sovereign government:

Sovereignty is supreme authority, and authority which is independent of any other earthly authority. Sovereignty in the strict and narrowest sense of the term includes, therefore, independence all round, within and without the borders of the country.

That is the definition given by an accepted authority in international law. Let us proceed a step further, and here is where a great difficulty arises:

The appointment of an individual as diplomatic envoy is announced to the state to which he is accredited in certain official papers to be handed in by the envoy to the receiving state. Letter of credence is the designation of the document in which the head of the state accredits a permanent ambassador or minister to a foreign state.

Since when did Great Britain become a foreign state to Canada?

Mr. MACKENZIE KING: May I interrupt my hon. friend? I do not know whether his intention is to have it appear that someone on this side of the house has suggested sending a minister to Great Britain and receiving a minister from Great Britain in this country. If that is what he has in mind, may I tell him that he is entirely in the wrong? No one on this side of the house has suggested anything of the kind. I would like to add, for the benefit of my hon. friend, that I know a suggestion of that kind did come from some hon. gentlemen who are sitting beside him.

Mr. BENNETT: My right hon. friend always has greater information with respect to this side than I have. I can only say that if such a suggestion came from this side, I never heard of it. It may well be that someone has suggested that, but whether someone on this side has suggested it or not, I can only point out that it can possibly be that a minister from Canada cannot be accredited to Great Britain, or a minister from Great Britain accredited to Canada.

[Mr. Bennett.]

Mr. MACKENZIE KING: I entirely agree.

Mr. BENNETT: The Prime Minister may not have had that in mind, but certainly I can tell him that some of his followers had.

Mr. MACKENZIE KING: I do not think so.

Mr. BENNETT: I claim to know. My right hon. friend claims to know with respect to this side, and I do know with respect to his. There appeared an editorial in the Free Press of Winnipeg a few days ago dealing with the matter, and the editor of that paper asked, "Why be a stickler for names? It does not make any difference what you call them." That is the very point I desire to discuss.

What is international law? What is the law of nations? It is not something that you may set at naught by the use of terms that have no meaning. It is highly important that your terms be used in the sense which diplomatic usage and custom and established precedents have given to them down through the centuries, and when you use the word "minister" it means just what I have read to this house, and the same with the use of the word "ambassador". It is important that there should be no confusion in terms. These are words used in the intercourse between civilized states, and they are exactly defined by the authorities. Oppenheim, in his International Law, says:

Law of nations or international law is the name for the body of customary and conventional rules which are considered legally binding by civilized states in their intercourse with each other.

Bearing that in mind, I have no hesitation in saying that to set up an ambassador in the United States is not a difficult thing to understand. They realize our position within the British Empire, but when you are dealing with foreign nations, using the word in the larger sense, when you are dealing with people unaccustomed to our institutions, the implications are such as to leave a wrong impression on the public mind, and those implications involve responsibilities of a character which this country is not ready, in my judgment, to accept. You set up a ministry in Tokyo. The Japanese are highly specialized in international law, and they will read the word "state" as meaning just what I have said, and " minister" as meaning just what I have said. They will treat Canada in the sense I have indicated from the authorities, with all the implications relating to

property, protection, navy and army, and all these other matters that are involved. What are the implications with respect to setting up diplomatic relations in Tokyo? One can understand it in Paris, where they are familiar with our institutions, but when you are dealing with a far-off country, the situation is fraught with the greatest possible danger to this country. It is all nonsense to talk of the status of Canada being improved because you call somebody a minister. What this country wants in Japan and all other foreign countries are trade commissioners, under the Minister of Trade and Commerce, to carry forward Canada's trade. The Minister of Trade and Commerce (Mr. Malcolm) knows that trade commissioners are what are wanted, men who will carry forward Canada's trade, not our diplomatic skill and power, to the countries of the world. What this country desires to deal with are practical matters, not matters that carry with them the implications of international law to which I have referred, and these are serious matters that cannot be dismissed with a wave of the hand. They are matters that have caused wars in days gone by—the designation and description of a country's representative, the rights and powers and immunities they enjoy in foreign capitals, their right to speak with authority for the state they represent their right to command armed forces, whether naval or otherwise—all these questions are involved in these implications. I say that what this young country wants, with the Colonial Laws Validity Act still outstanding, is not ministers in foreign capitals dealing with diplomatic matters, but rather trade commissioners dealing with matters affecting the expansion of our trade and commerce; and when you appoint a diplomatic representative I say that the implications involved are most dangerous. They are fraught with the greatest possible danger to the body politic. It is easy to talk in terms of great boasting of the position of our country, but Canada's position in Japan will be no greater with an embassy or ministry or legation set up in Tokyo than if under the old flag you still carry on trade and commerce and look to the British navy for your protection.

I desire to make it perfectly clear that we on this side of the house are opposed to setting up these legations as long as our present status continues. We do not desire that the implications that are attached to our position shall be misunderstood in the world at large. It is going to bring about disaster, as certain as anything can be. About that there can be no doubt. One need not engage in prophesy; one need not be a prophet who reads the diplomatic history of Japan and the United States during the last twenty-five years, to understand what it means to start diplomatic relations in Tokyo. It is only necessary to know what has taken place to understand the situation. You, Mr. Speaker, represented this country in dealing with problems of immigration and if we set up an embassy or legation in Tokyo you can realize the position. We embark on these different problems with respect to immigration and other important problems, but it is idle boasting to talk about our position in a foreign country because some representative over there can wear gold lace and a uniform. That does not advance the interests of the country a single sou.

Mr. WOODSWORTH: Does the hon. gentleman not agree that some very far-reaching implications along the line he has been mentioning are involved in Canada's membership in the League of Nations?

Mr. BENNETT: The position with respect to Canada's status in the League of Nations was threshed out before we became a member of it, and therefore was understood by all who became subscribers to it. It was set out in the treaty and was not dependent upon customs and traditions which have come down to us. It is in the first part of the treaty of Versailles and there is definite provision with respect to what may happen and what shall happen. In the other case there are implications which may arise by the usages of international law.

There are other things for which the speech from the throne is remarkable. We were told that the position in regard to a fuel policy would be announced, and we were informed that a coal policy was in process of incubation, that the matter would be settled in a short time. But there is nothing in the speech in regard to money being spent at home rather than abroad; there is no explanation of the people leaving Alberta to seek work elsewhere, when thousands of them could be employed to dig the coal out of the western provinces. No policy is announced which will have the effect of keeping these people at home. It is not considered of importance.

Then there is nothing in the speech from the throne with respect to the St. Lawrence waterway. I have looked over the speeches from the throne for the last few years to find a reference to that subject. Hon. members

present this afternoon will probably recall the reference to it in 1924; I will read it so that there may be no misapprehension about it. In 1924 the Prime Minister placed before us, through the representative of the crown, the following:

A further interchange of correspondence has taken place between my government and the government of the United States with reference to the St. Lawrence waterway. In the opinion of my advisers, the importance of this question is such that further inquiry should be instituted before a final decision is reached upon the proposals which have been under consideration.

With respect to this the house was a unit. And now in 1928 we understand a report has been made; it was tabled this afternoon, but there is no indication in the speech as to what action is to be taken, although my right hon. friend is reported in the press as saying that this is the most important question that could engage the attention of the people of this country. Under these circumstances I suggest that this country had a right to expect that if the matter was to be dealt with it should be referred to in the speech from the throne, and if it was intended to give it further consideration it is just as well to say so in 1928 as it was in 1924.

The speech from the throne makes no reference at all to reduction of taxation or to economy. President Coolidge of the United States pointed out the other day that the time to practise economy was when the revenues are buoyant and when the country was enjoying a period of temporary prosperity. What are we doing with respect to the national debt? Are we endeavouring to deal with that in a comprehensive way, setting aside or earmarking any particular sums of money in that connection? We have not done so and are not doing so.

Further, while the speech from the throne contains no reference to reduction of taxation, I submit to you that the country expects, nay, almost demands, that there shall be a reduction of taxation at the present session. The people of this country are weary of the interminable difficulties in connection with the sales tax. I believe I voice the opinions of my hon. friends to my left when I ask that the sales tax be entirely abolished. When the sales tax is being used as a protective tariff I think you should call it by its proper names, and that you should use the proper instrument to protect the trade of the country, instead of the sales tax.

These are the only matters I desire to refer to at this time. In hurrying through my remarks, however, I passed over one matter which I desired to bring to the attention of the Minister of Justice. I refer to the following remarks of the Chief Justice of Canada in regard to the question of appeals to the Privy Council:

If our nationhood is to become a thing of substance and reality, either the appeal from our courts of last resort to an English tribunal must entirely disappear, or provision must be made for an adequate imperial court of appeal, as the ultimate appellate tribunal for all parts of the empire, whose decisions will be as binding in England and Scotland as in the dominions, including the latest welcome addition to their ranks, the Free State of Ireland.

And he prefaced his remarks by saying that:

While this subordination of our courts is maintained—while this badge of inferioty is attached to them—our vaunted Dominion status as a full partner in the empire seems but an idle boast—a sop thrown to our vanity.

These were the observations of the right hon. Chief Justice of Canada, given in a considered address from which I have just read.

Now, Sir, I have trespassed entirely too long upon the indulgence of this House, but the matters which are now about to engage our attention, whether from the standpoint of domestic policy, empire relations, or international affairs, are all of tremendous importance. They are not only important within themselves, but their implications are more important still. The matters that I do urge the government to take under its immediate consideration are matters affecting the settlement of this country, the reduction of our debt, the practice of economy, and the lessening of taxation. For this country, situated as it is with respect to the republic to the south, cannot maintain taxes higher than they are there and hope to attract settlers and retain them. This is one of the prices we pay for our geographical position. Therefore it is incumbent upon the government at the earliest possible moment not only to reduce taxation and remove from the statute books those taxes that are generally regarded as nuisance taxes when applied to the individual in the conduct of business, but also to see that our revenues are judiciously and economically expended for the purpose of providing for the public service and also of reducing our fixed charges by reducing our national debt as quickly as possible. Above all, the government should see that the supremacy of parliament is maintained. That is, the measures which are now being dealt with by the executive should not be so dealt with unless authority therefore has been obtained from parliament. As we all know, parliament came into being to protect the people of the country against encroachments of power on the part of the executive.

Whether that executive be king or cabinet matters not; if the rights that belong to parliament are not observed it will be found that the executive perishes.

Therefore we urge these matters on the government, and we who sit to the left of the Speaker promise to the full extent of our ability to help the government to carry them into effect. Our best efforts, our ability and our resources are at their disposal to secure that permanent settlement so desirable to the progress of this great Dominion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am pleased that my first words to the hon. gentleman (Mr. Bennett) upon the conclusion of his address can very sincerely be words of congratulation at the moderation of tone which has characterized it in comparison with addresses which we have been accustomed to hear in previous parliaments.

I am also pleased to be able to thank my hon. friend for the compliment which he has paid to those who have spoken on this side of the house in moving and seconding the address. Naturally we join very heartily with him in the praise which he has accorded the hon. member for Hants-Kings (Mr. Ilsley) on what was generally conceded to be a very excellent address. The hon. member has come into this house as one of the youngest of its members, he has been here but a short time, in fact this is his first parliament, and each time he has spoken he has given evidence of that high reputation which he had as a public speaker before he came into the House of Commons. His address reflects credit not only upon himself and his constituency, but equally upon this parliament.

May I say that I think the speech of the hon. member for Provencher (Mr. Beaubien) was in every particular equal to the speech delivered by the hon. member for Hants-Kings. It was delivered in French, and might have been delivered by him with equal facility in English. Had my hon. friend opposite read it carefully, he would in his references to it, have spoken differently. He said that the speech might well have been delivered by my hon. friend from Provencher had he been speaking on his side of the house.

Mr. BENNETT: My right hon. friend did not understand me correctly. I said: Had he been sitting on this side and had we been the government—he in the opposition.

Mr. MACKENZIE KING: All I have reference to is my hon. friend's remark that the speech might have been delivered from the other side of the house. If one reads the speech one sees that it is very loud in praise of the present administration and somewhat condemnatory of certain of the policies of my hon. friends opposite. In that regard I agree with him that the speech might well have been delivered on the other side with regard to the respective merits of the two political parties.

Now, Mr. Speaker, I shall endeavour to follow my hon. friend as far as I may be able in the order in which he has spoken on the various subjects under review. May I first of all join with him in expressing our sympathy, the sympathy of the Canadian people with Lady Haig in the great bereavement which she has sustained in the death of her illustrious husband. When I learned this morning that General Haig had passed away, I felt it would be the will and wish of parliament and the people of Canada that I should immediately cable, in their name, the deep regret which we all feel at the loss sustained by the British Empire and, indeed, the world by the death of this great and distinguished soldier.

My hon. friend touched very lightly upon the diamond jubilee of confederation. If I stop to refer to that subject as mentioned in the address it is not for the purpose of basking in reflected glory, as he has intimated might possibly be the motive, but rather to give credit where I feel credit is due for what I believe is generally conceded to have been one of the most memorable events in the history of our country. As hon. members will recall, at the last session of parliament a national committee was appointed, to which was entrusted preparations for a fitting celebration of the sixtieth anniversary of confederation. The Right Hon. George P. Graham was made chairman of that committee, and subsequently Mr. Cowan and Mr. Desy were appointed secretaries. I should like to take advantage of this the first opportunity in parliament publicly to thank these gentlemen for having given their time and efforts so unselfishly to the work of the committee, and I should like in the same connection to make special reference to the great service rendered our country by Hon. Thomas Ahearn, who had so much to do with the successful broadcasting to all parts of this Dominion from parliament hill of the proceedings on July 1.

I think, Mr. Speaker, we have all reason to feel a special pride in the degree to which all parts of this Dominion participated in the celebration of its sixtieth anniversary. The occasion evoked a national pride, a

sense of national unity to a degree that up to that time had never been expressed; and whatever makes for Canadian unity serves, I submit, in the highest way not only the interests of Canada, but the interests of the empire as a whole.

I am sorry that I did not understand the reference which my hon. friend made to some remarks of mine respecting His Royal Highness the Prince of Wales and the Prime Minister of Great Britain. I followed him, I think, in all other particulars, but I confess that even at this moment I cannot conceive precisely what their bearing was. At the time, I said that I thought it was a particularly fortunate and happy circumstance that whereas confederation had been brought into being by Canadian ministers visiting London and there co-operating with the British parliament and the sovereign of Great Britain in the enactment of the British North America Act, at the time we were celebrating the diamond jubilee of confederation we should have, not Canadian ministers visiting London, but the heir to the British throne and the Prime Minister of the British House of Commons visiting this Dominion to participate in the celebration of the sixtieth anniversary of that event. I think, Mr. Speaker, that that was a feature of the events of the year in which we all felt a great measure of pride. I would also say that my hon. friend might have fittingly made reference to other visits which have been made to our Dominion by distinguished statesmen of the British Empire in the recent past. Since the last Imperial conference we have had as guests of this country in addition to the Prime Minister of Great Britain, the Prime Minister of Australia and the Prime Minister of New Zealand, and I am proud to say that we have to-day in the capital of our country, as our guest, the President of the Executive Council of the Irish Free State, another of the sister dominions of the British Empire.

I would further say that I think my hon. friend might well have made reference, while dealing with the speech from the throne, to other features which have contributed largely to international good will during the course of the present year. I was happy to see that in reference to the legation which Canada has opened at Washington, my hon. friend has changed to a considerable degree the point of view to which he gave expression during the last session of parliament, and that in common with the citizens of Canada generally he has come to see that the opening of that legation has been a helpful factor in the economy of this nation, and helpful also in the larger affairs of the British Empire. I think the opening of legations at both Washington and Ottawa by the Canadian and United States governments respectively, is an event worthy of mention, and I feel that the experience we have already had of the services of these legations is sufficient to convince us that the step taken was a wise and eminently practical one, and will prove increasingly helpful as the years go by.

The visit of Their Excellencies to the United States was a feature of the year which I think was deserving of mention, if only to illustrate as it does the international good will to which that visit gave expression. I am happy to say that in the course of another week we in Canada will have the pleasure of receiving the Secretary of State of the United States, who intends to pay a visit to our Dominion at that time. The visit of His Royal Highness the Prince of Wales and the Prime Minister of England, in conjunction with Canadian ministers of the crown, to Buffalo, there to meet the Vice-President of the United States, the Secretary of State and other ministers of that government in the dedication of a bridge which commemorates more than a century of peace between our neighbours to the south and ourselves, was another event of which I think we on this continent have reason to be proud, and which may well be held up as an example to the world.

I should make mention at this moment, and I take this the first opportunity so to do publicly in parliament of the appreciation of parliament of the gift which was announced by His Royal Highness the Prince of Wales as coming from His Majesty the King in commemoration of the diamond jubilee of confederation. Honourable members know, this gift consists of oil portraits to be hung in these buildings of His Majesty and the Queen, as well as portraits of their late Majesties King Edward and Queen Alexandra. They are a possession which I am sure will always be greatly treasured in these houses of parliament.

I come now, Mr. Speaker, to consider some parts of the address of my hon. friend in which I feel he hardly did justice to the situation as it exists in Canada at present. As hon. members will have noticed, he made many references to the necessity for increased immigration. He said we were crying out for labour in this country and that we should do everything in our power to stimulate the supply.

Mr. BENNETT: I did not say we were clamouring for labour.

Mr. MACKENZIE KING: I am glad my hon. friend makes it clear that he did not say we were clamouring for labour, but he did say that we needed immigration very much; we are agreed on that. I would point out to my hon. friend that immigrants who come to this country and do not work are not the class of immigrants we want; we want people who will work. I was struck, as I am sure other hon. members must have been, by a curious kind of contradiction in the remarks of my hon. friend. He opened by stressing the unemployment which he said exists in this country, and returned to this subject when he came to the latter part of his address. He was seeking to belittle what was said in the speech from the throne with respect to the prosperity in Canada to-day when he spoke of unemployment; when that particular point had served his purpose, in order to criticize the government from an opposite point of view, he began to stress the necessity for increased immigration.

I may say to my hon. friend, so far as the policy of the government with respect to immigration and unemployment is concerned, that this country needs all the immigrants we can successfully assimilate and put into employment in Canada, but we do not intend to extend our immigration policy to a point where it will lead to large unemployment in any of the industrial centres of our Dominion. I think if my hon. friend is sincere in his desire to increase immigration, as I am sure he is, he will be better advised if he directs his attention more to laying stress on the prosperity of Canada and the publishing abroad of that fact than to making references in this house or elsewhere to unemployment in Canada at present. As a matter of fact we all know that for years past there has not been a time in Canada when there was less unemployment than exists at present. May I quote to my hon. friend the statement of a member of his own party, a prominent member, although not in this house? I refer to the Premier of the province of Ontario, and what he had to say to a delegation which waited on him only a few days ago. It was asking the Ontario government to help provide for some alleged unemployment in this province. What was the reply made by Hon. Mr. Ferguson? It will be found in the Toronto Globe of January 24. It seems that the delegation was from York township, members of the township council were evidently representing that there was some unemployment, and in reply to their request Premier Ferguson said:

> With the great activity in building and all kinds of construction work, I am at a loss to understand why there should be any serious unemployment. As a matter of fact, a general survey of the situation has led the government to believe that there is no real distress, and there is less ground for complaint than there has been for some years.

That is the view of the Ontario government after having made a survey of this province, and I would commend that view to my hon. friend as coming from a better source than the one from which he has derived his information.

What are the facts in regard to employment? Let me quote from the authentic records of the Bureau of Statistics as to actual employment. My hon. friend says these figures are gathered from firms which employ people; certainly they are. One would not go to a firm which did not employ anyone in order to get information as to employment, and I contend that the degree to which there is employment is better represented by statistics from employing firms than by any other possible source.

The Department of Trade and Commerce, in the statement issued on January 16 of the present year, reports the employment situation in Canada as follows:

> Employment as reported by employers throughout Canada was in greater volume in 1927 than in any other year since 1920, there being almost uninterrupted expansion on a large scale from early in January until the first of September. This upward movement carried the curve of employment to a level many points higher than in any of the last seven years and considerably higher than at the basic date in 1920, when the post-war boom was at its maximum. During these seven months of advancing employment, nearly 125,000 persons were added to the staffs of the reporting firms, a number which was practically the same as in 1926 and greater than in the same period of any other year of the record except 1922, when the opening up of industry following the depression of 1921 caused the employment of approximately the same number of extra employees.

If my hon. friend will consult other sources of accurate statistical information he will find that they all substantiate this position.

My hon. friend referred to the condition of trade, and indicated that in some particulars it was not just what he would like to see it. I think he will admit that the total volume of trade this year has been larger than that of any previous year. My hon. friend says that the imports are greater, but that the exports are somewhat less. That is quite true, but why are the imports greater? The imports are greater because—and if he looks at the figures I think he will find I am correct—we have been importing a large quantity of raw materials to be worked up in our

manufactures, that we have also been importing large quantities of equipment. These two items, the increase in raw materials and the increase in equipment, each of them representing expanding industry in Canada, are responsible for the imports being larger this year. In regard to exports my hon. friend will find that prices ruled considerably lower in some of the agricultural commodities, and for that reason, perhaps more than for any other, the total exports do not range as high in gross value as in previous years. Nevertheless the fact remains that the balance of trade in Canada was more favourable than was the case with respect to the balance of trade of any other country of any standing in the world. Our favourable balance of trade was $151,000,000 in 1927, the largest per capita favourable trade balance of any leading nation. I will not take time to quote the figures with respect to internal trade activities. Internal trade may be judged by the wholesale and retail figures of which I have a statement here, but to save time I shall pass them over. They disclose a great increase of business. I would, however, like to give to my hon. friend and to the house the record of the amounts of cheques charged in the clearing house centres of Canada. They are an index, and an important one, with respect to business transactions and to progress. These figures, secured from the Canadian Bankers' Association, show the bank debits in Canada to have been as follows:

1924	$27,157,000,000
1925	28,126,000,000
1926	30,358,000,000
1927	36,393,000,000

These figures disclose an increase of nearly 33 per cent between 1924 and 1927 in the volume of business transacted in Canada by means of cheques drawn upon our chartered banks.

My hon. friend spoke of the railway receipts and he was a little critical of the statement made in the speech from the throne that the gross receipts of the railways had increased. I do not think my hon. friend denied the truth of the statement but he drew attention to the fact that the net receipts had not been as considerable as in previous years. As a matter of fact, the gross receipts do show, exactly as the speech from the throne indicates, a very considerable increase. In the case of the Canadian Pacific Railway the total receipts for 1926 were $197,636,000, and the total for 1927 was $201,403,175. In the case of the Canadian National Railways, the total receipts for 1926 were $253,376,000, and for 1927 they amounted to $256,164,000, a considerable increase in the case of both companies. Why do the net receipts not show the same measure of increase? My hon. friend knows the explanation but he did not give it to the house. He knows that considerable increases were made in the wages paid to the employees of both railway systems, changes resulting in an increase of several million dollars. The fact that there was a later movement of some of the crops and a lowering of rates on the carriage of grain and other commodities also helps to account for the difference in net receipts. The fact that the reduction in the net receipts is so largely accounted for by the improvement in the position of that large body of the community represented by railway labour, is of itself a circumstance which speaks well for the increased prosperity in business of this country.

I might make further reference, as evidence of the prosperity in Canada, to building operations. The news manager of the MacLean Building Reports, in a statement published in the Commercial and Financial Review for the year 1927 by the Montreal Gazette, has the following in reference to building construction:

> Not since the boom days of 1912 has construction come within $100,000,000 of the record established in that year, until the past twelve months, when nearly $419,000,000 were spent or contracted for throughout Canada in this important industry. The fact of such a large sum, greater by 12.3 per cent than the record of 1926, was spent in the program for 1927 after five heavy building years speaks very favourably for the prospects for this year.

The official record of building permits issued in sixty-three cities shows a total value of building amounting to over $185,000,000 in 1927, as compared with $156,000,000 in 1926, an advance of over 18 per cent on what was itself a record year.

I submit, Mr. Speaker, that my hon. friend would help his immigration propaganda much more if he gave these figures to parliament and to the world instead of attempting to create the impression that the country is not as prosperous as everyone but himself is prepared to admit.

Now what is the position with regard to manufacturing in Canada? The manufacturing industries of the Dominion operated on a larger scale in 1927 than in any other recent year, as is shown by the monthly record of employment; 4,000 of the larger manufacturers report an employment of 477,000 persons, and the flood of manufacturing activity in 1927 is estimated as having been four per cent greater than in 1926.

I could quote figures to show how considerable also has been the increase in different branches of agriculture. I pause to make mention that Canada has come to be the leading exporter of wheat among the countries of the world. I could also point out that in mining we have made vast strides in production and in export. Coming to forestry may I say that in newsprint Canada is now the leading producer in the world. We have, in our production, passed in Canada beyond merely domestic and imperial records to world records.

In concluding this branch of my subject I should like to give my hon. friend, also for use in his immigration propaganda, the opinions of the leading bank managers in this country. I submit that he will be well advised to secure and broadcast statistics of this character if he wishes to bring into the Dominion a class of people who are ready and willing to work, and who will see before them in this country a land of great promise and of great opportunity.

The president of the Bank of Montreal, in his statement this year, declares:

Bank debits, bank clearings, bank deposits, car loadings, railway gross earnings, imports, note circulation, and lower mercantile mortality reveal that the tide of business has risen during the year. . . . I see no reason why an abatement of confidence in the continuance of these prosperous conditions need be apprehended.

Then the general manager of the Bank of Montreal states:

I have referred to the past year as the most expansive in the country's commercial history. That Canadians have experienced a greater degree of individual prosperity than ever before is, I think, undisputable.

The president of the Imperial Bank states:

Evidence of the general growth and prosperity of Canada may be observed on all sides.

The president of the Royal Bank of Canada:

Those who were most careful in their studies of world economic trends were forced to the conclusion that a return to world stability in commerce and finance would be accompanied by such a rising tide of demand for the products of Canada's fields, forests and mines as would assure a prolonged period of prosperity. The steady improvement in agriculture, mining, manufacture and internal and external trade which has characterized the years 1925, 1926 and 1927, has done much to vindicate the good judgment of this leadership.

The president of the Bank of Toronto:

The year just closed is notable for the sound progress made in nearly every branch of our economic life. . . So far as the future is concerned we have every reason to be confident. Our present prosperity is not superficial, but is well founded on natural resources, organization and efficiency.

And, finally, the general manager of the Bank of Commerce, at the annual meeting on January 10, 1928, makes this statement:

In conclusion: the general business situation is sound, the purchasing power of the people of Canada is greater than it has ever been before, and the development of the natural resources of the country proceeds apace. These conditions make for prosperity, and the general frame of mind of the public is genuinely optimistic. This creates an ideal atmosphere for future progress, and, if we will but give painstaking attention to our business and avoid excesses such as overtrading or speculation, we in Canada can face the future with confidence and certainly look forward to another year of progress and prosperity.

Mr. BENNETT: He does deal with immigration directly?

Mr. MACKENZIE KING: This is the way in which to deal with it. It is a much more effective way. I shall have a word to say on the subject of immigration later on. But let us see how we are viewed by observers outside. This house is familiar with the work of the Babson Statistical organization of Wellesley Hills, Mass. Mr. Creighton J. Hill, of that institution makes this statement:

Fundamental conditions in the Dominion indicate that general business in 1928 will exceed that of 1927, and while in the states the trend will be slightly downward, in Canada it is going to be upward. Canada is to-day in a position to maintain an independent prosperity through 1928.

May I conclude these references by quoting from an hon. gentleman who sits with my hon. friend on the other side of the house; I mean the distinguished member for Mount Royal (Mr. White). In his financial review of the year 1927, published in the Gazette that hon. gentleman has the following to say:

Canada has never before enjoyed a year of so general progress and prosperity as that of 1927. Production, distribution, manufacturing, transportation and foreign commerce exceeded all previous records.

I say, Mr. Speaker, and I say it with considerable pride, that there has never been an occasion when one standing in the position of leadership of a government was able to give to this parliament a record of greater progress or a message of higher hope, present and future, than I have been enabled to give to this house to-day.

My hon. friend said that we ought to promise something in the way of reduction of taxation; he suggested that we should show something in the way of diminution of the public debt. I wish to assure my hon. friend that is exactly what we have been doing, and when he becomes more familiar with the record of the government, as, with the passing

of time, I trust he will, I have no doubt he will be quite satisfied in his own mind on these points. Let me in this regard submit a few figures which I think will be of special interest to him. When we came into office we found that the government that had preceded us had been successful in one particular, namely, in adding to the public debt by leaps and bounds. There had been an increase of many millions in the public debt of the country, and as a matter of fact the situation was one of the gravest with which an administration could be confronted. The problem was not a simple one, how to reach the point where the budget of the country could again be balanced satisfactorily. What where the facts? In the fiscal year 1920-21 there had been an increase in the debt of $92,000,000. It will be remembered that this government took office in December 1921, so that practically all the figures of the fiscal year 1921-22 were attributable to the previous government's administration of affairs. Instead of the public debt decreasing, it was being added to progressively by colossal sums. True, there was in 1921-22 a little difference, accounted for possibly by the fact that the present administration had been in office three months of that particular year, but it was not such as to minimize the effect of the immensity of the figures. The public debt for the year 1921-22 was increased $81,000,000 such was the amount of difference between receipts and expenditure in that year. It is true that, in order to try ultimately to balance the budget, Mr. Fielding, who was then Minister of Finance, found it necessary slightly to increase taxation. Mr. Fielding took the position, which I think was a sound one, that this country could not go on running deeper and deeper into debt, and that if we were to reach the point where Canada should enter upon the road to prosperity and progress we must at least balance the budget, and, if at all possible, have surpluses instead of deficits in our yearly accounts. A slight increase in taxation was made at the time to help to meet the situation. The result was that the next year, although we were unable completely to avoid an increase in the public debt, the increase for the fiscal year 1922-23 was, not $81,000,000 as it was the year before, but $31,000,000. The year following that, after our policies had had an opportunity to get under way in the country and their effect had been tried, there was a complete reversal in the position of affairs, and from that time on we have heard no more of deficits, having had surpluses every year. In the fiscal year 1923-24 we had a surplus of $35,000,000; in 1924-25 a surplus of $345,000; in 1925-26, a surplus of $27,000,000, and in the fiscal year ended March 31, 1927, a surplus of $41,000,000. It is too early yet to say what the surplus will be in the present year, but it is not revealing any secret when one advises parliament that the figure will be quite large and that, again this year, we shall have a very considerable surplus as a result of our financing.

What in addition has taken place this year along the line which my hon. friend commends to us? He says that we should redeem outstanding obligations. In 1925-26, outstanding obligations of $20,000,000 were redeemed in cash, while in 1926-27 the redemption in cash was $43,000,000. In the present fiscal year there have been three maturities, one of $29,000,000, bearing interest at the rate of five and a half per cent, redeemed in cash on November 15; while four per cent treasury notes, amounting to $8,000,000, were redeemed in cash. On December 1, a maturity of $63,000,000 became payable. This was a five per cent loan, tax exempt, and $18,000,000 was paid off in cash, the balance being taken care of by borrowing from the banks treasury notes at the rate of four per cent. This was the lowest rate of interest that the government had secured in pre-war days. As a result of our financing in the present fiscal year, the annual interest saved alone will be $3,600,000.

Mr. BENNETT: Is my right hon. friend aware that the government guaranteed $65,000,000 for the Canadian National Railways, $20,000,000 for three years' notes maturing last year, and $15,000,000 bank loan, usually paid in cash, for which they issued securities, or taking these two, $35,000,000 in outstanding guarantees.

Mr. MACKENZIE KING: I will leave it to my hon. friend the Minister of Finance (Mr. Robb) to go into the details of the financing of the railways when we come to the budget, but I am giving to my hon. friend facts and figures which are incontrovertible with respect to maturities that have been redeemed and cashed during the past year.

Now while the government has been reducing the public debt, while it has been reducing outstanding securities as they have been maturing, while it has been refunding large sums of money with other securities bearing a lower rate of interest, it has at the same time been steadily reducing taxation. My hon. friend said he thought that we ought to reduce taxation. I want to tell him that that is exactly what we have been doing, and doing steadily for the last few years. The record of this

government in the matter of tax reduction is one of the most remarkable records that any administration has ever had to its credit. Let me just refresh the memory of hon. gentlemen with respect to what has taken place in that regard. The principal taxation reductions since 1923 have been as follows:

In 1923, reduction of sugar duties, $2,500,000. Changing the sales tax so that it shall apply as at the source. The first year this change showed a considerable reduction. Reductions under the British preferential tariff of 10 per cent where the goods are brought direct to the ports of Canada.

In 1924, reduction of sales tax from 6 per cent to 5 per cent and articles added to the exempted list. In the customs tariff the principal reductions were agricultural implements, saw-mill and logging machinery, coal-washing machinery, the estimated reduction of customs and sales tax revenue being $24,000,000.

In 1926 there was reduction of duties and excise tax on motor vehicles; sales tax reduction on canned fish from 5 per cent to 2½ per cent; reduction in postage; the receipt tax was abolished; reduction in income tax; the estimated total reduction in revenue being $25,000,000.

In 1927 there was further taxation reduction: ten per cent on all rates in the income tax; in the sales tax a general cut of 20 per cent; excise tax on matches cut 25 per cent; reduction of rates on cheques, bills of exchange, promissory notes and similar documents.

The total reduction in taxation amounted in that year to $27,000,000. So I say to my hon. friend that instead of telling us what we ought to be doing he should be thanking us for what we have been doing, and he should have not merely the hope but the expectation that we will continue in that way. It is not for me to say what the Minister of Finance will have to tell this House when he brings down his budget, but I for one shall be very much surprised if he does not show again this year, as in former years, a surplus, reduction of the public debt, and further tax reductions. I think, Mr. Speaker, I have perhaps dwelt at sufficient length upon the remarks of my hon. friend with respect to the position of the country at the present time, the government's action in the matter of economy, and its interest in the public welfare from the financial side.

I come now to the next subject on which he touched, the Dominion-provincial conference this year. May I say that when my hon. friend asked me on Thursday last for the report of the conference I mentioned to him that there was no official report for the reason that when the conference met it was agreed, not by one side, but by all present, that the conference would perhaps make better headway and that we would come nearer to an understanding of each other's difficulties if we did not attempt to have a record kept of the discussions, but gave to the public from day to day a precis which was carefully prepared by one who was present for the purpose of taking down the essential features of the discussion. That precis, before it was issued to the press, was submitted to representatives of the provincial governments and of the federal government. It was issued in fairly extensive form, and I may say to my hon. friend that comparing the official precis that was issued in connection with this conference with the records of previous conferences, it is much more complete than the record of any previous conference. Possibly it would be well if parliament were furnished with that precis in a form in which it could be made available to hon. members, and I am very pleased to say to my hon. friend, as he has drawn attention to the omission of an official record, that to-morrow I shall lay on the table of the house the official precis of the conference as given out from day to day, and that in a form which I believe will merit its publication by parliament.

Mr. BENNETT: Thank you so much.

Mr. MACKENZIE KING: That will give to members of the house an accurate statement of what took place from day to day in so far as it is desirable to have the proceedings of the conference made public.

Mr. BENNETT: That is all that is wanted.

Mr. MACKENZIE KING: May I say a word about the Dominion-provincial conference—because I think it was one of the most important events of the year—as to how the conference was called, its method of proceeding, and so far as time will permit me to touch upon it, what occurred in the course of the proceedings.

Hon. members will recall that at different times in this house it was suggested that certain matters should be taken up at a Dominion-provincial conference. With respect to some of the questions that were discussed the conference was called largely as a result of the express wish of this House of Commons. In order that the subjects taken up might be as inclusive as possible, some months before the conference was held a communication was sent to the premiers of the provinces asking them to enumerate any

subjects they would like to have brought up for consideration between the Dominion government and their provinces. When replies had been received from all the premiers these subjects were then classified and an agenda was carefully prepared which sought to so arrange matters as to make the discussion as logical and orderly as possible. The Dominion had certain questions which it desired to discuss with the provinces, as well as the questions which the provinces themselves submitted, but it was found that all the questions fell broadly into one of three classifications. They were questions either of a constitutional nature, or which had to do primarily with finance or they were of an economic and social character. The agenda as presented to the conference contained the different subjects for discussion under these three divisions. I might give hurriedly to the house the main topics that were discussed in this way. Under the head of constitutional questions, the following subjects were discussed:

1. Senate reform.

2. Procedure in amending the British North America Act.

3. Participation by provinces in international labour conferences.

4. Regulation of aircraft and flying operations.

5. Industrial Disputes Investigation Act.

6. Incorporation and operation of companies, including trust, loan and insurance companies.

7. Regulation of the sale of shares and securities of Dominion companies.

8. Representation of Nova Scotia in the House of Commons.

Under the heading of "Financial" the following subjects were discussed:

1. Federal subsidies, including recommendations of Duncan report thereon.

2. Other proposed federal aids:
(a) for highway construction.
(b) for technical education.
(c) for agricultural education.
(d) for unemployment relief.
(e) for steel industry.

3. Partition of federal lands.

4. The Canadian Farm Loan Act, 1927.

5. Taxation:
(a) Delimitation of fields of taxation.
(b) Taxation of the Canadian National Railways.
(c) Comparative taxation.
(d) Income tax. Method of collection.

6. Reduction of customs and excise duties.

7. Consideration of interests in which the Dominion and provincial governments exercise jurisdiction:—
(a) Agriculture;
(b) Policing;
(c) Health;
(d) Construction, maintenance and upkeep of railways.
(e) Developing markets for Canadian products.
(f) Establishment of national research laboratories and co-operation in research.

Social and Economic

1. Immigration. Federal and provincial co-ordination.

2. Fuel problems.

3. Old age pensions. Social insurance.

4. Water-power development.

5. Fisheries.

6. Child nutrition and transmission of infection.

My hon. friend asks how parliament is to know what was to be done with respect to these various subjects and what was the attitude taken by the conference upon them. My reply to him is this: that the various subjects were dealt with in different ways. It was possible to dispose of some of them on the spot. For example, among the subjects dealt with was the question of the regulation of air craft and flying operations. That question related to a possible conflict of jurisdiction as between the dominion and the provinces on the subject of aerial navigation. It was agreed that that question should be made a subject of reference to the supreme court, and the reference was agreed to by the Minister of Justice and has since been made.

Then there were other matters, such as the regulation of shares and securities of Dominion companies, which were referred to special committees of the conference, and the committees brought in recommendations suggesting legislation. That legislation was subsequently introduced into the House and dealt with. Other matters, such as constitutional questions, were discussed, largely with a view of obtaining an interchange of opinion on the part of the provinces of the Dominion, and consideration was promised by the federal government to the views expressed.

I shall not go through the agenda, but as parliament proceeds with its deliberations, with respect to every subject that is there mentioned it will be possible for the ministry, either in answer to a question that may be asked or by legislation to be brought down to

make clear to the house just what were the various matters dealt with and the attitude of the ministry upon them.

There is one subject which I think I had better touch upon immediately, as it is one which, though not dealt with at considerable length by my hon. friend opposite, was nevertheless the subject of consideration at the conference and has been the subject of considerable speculation by the press ever since, and that is the St. Lawrence waterway project. I wish to say, in regard to that, that my friend is right when he quotes me as saying that I believe there are few if any questions which have ever come before parliament more important and far-reaching in their many bearings than the question of the deepening of the St. Lawrence waterway. It has political, economical, national and international aspects, all of which are very far-reaching, and on behalf of the administration I wish to say we are fully seized of the magnitude of that question, and we do not propose to be precipitated in any way into a hasty discussion of its many features or except upon the maturest consideration into any diplomatic action with respect to them.

My hon. friend draws attention to the fact that there is no reference in the speech from the throne to this important subject. Here may I draw his attention to the circumstance: that this is an international question. If it has any significance at all, the significance in largest part lies in the international phase of it, and how that international phase is to be dealt with. My hon. friend is accustomed to big business and knows the care with which all large business transactions have to be surrounded, and I venture to say that the last thing he would do, and the last thing any business man would do, in connection with his own affairs, when he was considering a possible transaction with some other party, would be to disclose his hand any more than he was obliged to disclose it, until it came to a point where it was certain that negotiations would be successful. The government has given this great project the most careful and thoughtful consideration. First of all, there was a report of the International Joint Commission which was subsequently considered by a joint board of engineers; the members of this board differed among themselves thereby necessitating a reference back of certain of the matters which they had under consideration. In the United States an advisory committee to the administration was formed, to advise the government on the findings of the report which was presented to them; that advisory committee gave its advice, and some publicity was subsequently given to the advice given by that body. This government appointed an advisory committee. The advisory committee met as soon as was feasible after the report with its appendices of the joint engineers was presented, and as soon as they had sufficient time to study the subject. They spent some time in this city, considered different aspects of the problem, conferred with the administration, and gave us the benefit of their views and opinions. Among other subjects upon which they gave us advice was what in their opinion was the correct form of reply to be made to the United States government to a despatch which had been sent to us on that all-important question.

I want to draw the attention of parliament to one statement which is contained in the views of the advisory board as presented to the government. It is the statement which concludes the report with which they presented us. It reads:

> We would add the suggestion that in view of the delicacy of the international negotiations involved it would be inadvisable that our report be made public until such time as, in the discretion of the government, it might be published without prejudice to Canadian interests.

I wish the house to realise that that is the reason and the only reason why the government has not up to the present time made public the views of the advisory committee as presented to the government by that body. That body itself, recognising the many bearings from an international point of view of the advice which they have submitted, felt it would be inadvisable to have their report made public at the present time, and may I add in that connection that I hope hon. gentlemen and the public at large, and the press of the country in particular will not prejudice this all-important situation by attributing to the board of advisers expressions of view and opinion of which they can have no knowledge whatever. The report has not been made public, and so far as I have been able to see some of the alleged descriptions of what it contains are, to say the least, very wide of the mark. At the present time we are replying to the despatch which came to us from Washington asking for an expression of our views in regard to this great undertaking. We are giving to the United States government an expression of opinion, based upon the views of the advisory board, in order to ascertain their opinion upon those views. Until we have had an opportunity of learning from the administration at Washington how they regard certain considerations which we deem all-important

we will not be in a position to say whether or not negotiations are going to be possible for the construction of that great international waterway.

Mr. BENNETT: I should like to ask my right hon. friend whether or not the government is prepared to consider the legal implications as between the provinces and the Dominion before we proceed further, because the provinces assert certain rights, I understand. That is the question which I regard as the basis of international discussion.

Mr. MACKENZIE KING: I am glad to hear my hon. friend express himself as he does, because in that particular we are in entire accord with him. When the Dominion-provincial conference was held the premiers of Ontario and Quebec both intimated to the government that they thought there should be a reference to the courts of the question of jurisdiction with respect to the power developed as the result of the canalization of waters over which the Dominion government have control for the purposes of navigation. The Minister of Justice (Mr. Lapointe) promised consideration to that request, and as soon as possible after the conference concluded its proceedings the minister had prepared by the law officers of the crown a careful statement of the whole situation as far as it was possible for them to present it, and an order in council was passed on the 18th instant, whereby a reference of the whole question of jurisdiction has been made to the courts in accordance with what we understand are the wishes of the premiers of Ontario and Quebec.

Mr. BENNETT: That will be laid on the table, I presume?

Mr. MACKENZIE KING: At to-morrow's sitting I shall have pleasure in laying on the table of the house the reference which has been submitted to the courts.

On motion of Mr. Mackenzie King the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 6 p.m.

Tuesday, January 31, 1928

The house met at three o'clock.

CENTENARY OF HON. MR. DESSAULLES

Mr. SPEAKER: I have the honour to inform the house that I have received the following letter from the Speaker of the Senate:

Dear Mr. Speaker:

On Wednesday, 1st February, at 5.45 p.m., an address will be presented in the Senate chamber to the Hon. Senator Dessaulles in commemoration of his having attained the age of one hundred years.

May I, through you, extend to the members of the House of Commons an invitation to be present at this ceremony.

Believe me, dear Mr. Speaker,

Yours truly,

Hewitt Bostock,
Speaker of the Senate.

CONTROL OF WATER POWERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I promised my hon. friend the leader of the opposition at the close of yesterday's sitting that I would table this afternoon a copy of the order in council passed on the 18th of January, in which the whole question of the division of legislative control over proprietary interests in water powers, as between the Dominion and provincial governments, has been referred to the supreme court for hearing and consideration. I now lay a copy of the order in council on the table.

DOMINION-PROVINCIAL CONFERENCE

Mr. MACKENZIE KING: I also mentioned to my hon. friend that I would table to-day the official précis of the Dominion-provincial conference. In tabling the document I would move, seconded by Mr. Lapointe:

That fifteen hundred copies in English and five hundred copies in French of the official précis of the Dominion-provincial conference held at Ottawa in November, 1927, be printed forthwith, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

REPORT

Report of the Canadian delegates to the eighth assembly of the League of Nations, September 25, 1927.—Mr. Mackenzie King.

PUBLIC WORKS HEALTH ACT—PROPRIETARY AND PATENT MEDICINES ACT

Hon. J. H. KING (Kootenay, Minister of Health): I beg to advise the house that no regulations have been made under the Public Works Health Act since the last session of parliament; also that no regulations have been made under the Proprietary and Patent Medicines Act during the same period.

CANADIAN NATIONAL RAILWAYS

ROSEDALE-BULLPOUND BRANCH LINE

Hon. CHARLES A. DUNNING moved for leave to introduce Bill No. 6 to confirm

a certain agreement made between the Canadian Pacific Railway Company and the Canadian National Railways Company.

Some hon. MEMBERS: Explain.

Mr. DUNNING: This bill is for the purpose of confirming an agreement entered into between the Canadian Pacific Railway and the Canadian National Railways with respect to the construction of a branch line authorized by parliament some sessions ago, which authorization, I believe, was extended at the last session, from Rosedale to Bullpound, in the province of Alberta.

Motion agreed to and bill read the first time.

PATENT ACT AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 7, to amend the Patent Act.

He said: The purpose of this bill is to bring the Patent Act into conformity with the terms of the international conference for the protection of industrial property, as revised at the eighth conference of 1925. I may add that the changes are of a minor character. There is an amendment to section 40, concerning the granting of licenses for the use of an invention when the necessary and reasonable requirements have not been complied with, and this involves the addition of the following words:

Or that the patentee has failed adequately to manufacture the patented invention in Canada.

There is also a change made in section 49 which relates to any foreign ship or vessel entering the country temporarily. The words "air craft or land vehicle" are added to that clause.

Motion agreed to and bill read the first time.

TRADE MARK AND DESIGN ACT

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 8, to amend the Trade Mark and Design Act.

Mr. GUTHRIE: Explain.

Mr. RINFRET: In like manner this bill is for the purpose of bringing the Trade Mark and Design Act into conformity with the decisions of the same meeting at the Hague in 1925. The changes are also of a minor character. There are added to section 11 of the act two new paragraphs giving reasons for which a minister may refuse to register a trade mark in certain cases.

After the expiration of the current term of a trade mark, namely, twenty-five years, this bill proposes to give an extra period of three months within which the owner of the trade mark may renew the application and similar provision is made with regard to rights in an industrial design. Special fees are provided in case of such renewal.

In the case of a trade mark which has been filed in another country and which it is desired to file in this country the period is extended from four months to six months. All these are in conformity with decisions reached at the Hague.

Motion agreed to and bill read the first time.

SAINT JOHN AND QUEBEC RAILWAY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved for leave to introduce Bill No. 9, to authorize an extension of time for the completion of the Saint John and Quebec Railway between Centreville and the county of Carleton, and Andover, in the county of Victoria, N.B.

Mr. GUTHRIE: Is this only an extension?

Mr. DUNNING: The Saint John and Quebec railway is owned by the province of New Brunswick and the provincial government has requested an extension of time in connection with the completion of the line. This bill is designed to grant such extension.

Motion agreed to and bill read the first time.

EXPERIMENTAL FARMS STATIONS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 10, to amend the Experimental Farms Stations Act.

Mr. TOLMIE: Explain.

Mr. MOTHERWELL: When the original Experimental Farms Stations Act was passed some forty years ago, certain acreage limitations were imposed upon them, that is in regard to the Central Experimental Farm at Ottawa and the farms at Nappan, Indian Head, Brandon and Agassiz. The purpose of this bill is to remove the limitation from those five farms, thus putting them on a parity with the remaining eighteen which have no such limitation.

Motion agreed to and bill read the first time.

SEEDS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 11, to amend the Seeds Act.

Mr. TOLMIE: Explain.

Mr. MOTHERWELL: This act has not been before the house for several years and this bill proposes a number of amendments, fifteen in all, with a view to brushing up the act to meet present day requirements.

Motion agreed to and bill read the first time.

DAIRY INDUSTRY ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 12, to amend the Dairy Industry Act.

Mr. TOLMIE: Explain.

Mr. MOTHERWELL: This bill provides for the reinforcing of butter and cheese boxes for export in order to avoid the many breakages that occur without this reinforcement

Motion agreed to and bill read the first time.

CUSTOMS INQUIRY COMMISSION

On the orders of the day:

Mr. D. M. KENNEDY (Peace River): Will the government lay on the table of the house the evidence which was taken by the Royal Commission on Customs and Excise and on which the report was based?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not know whether my hon. friend desires to have the evidence placed upon the table in order to have it printed. It is a voluminous mass of material, but there is no objection to laying it on the table for the information of the house.

Mr. KENNEDY: All the evidence?

Mr. MACKENZIE KING: Yes.

HOME BANK DEPOSITORS

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I would like to ask the Minister of Finance if it is the intention of the government to vote any further sums of money in aid of the Home Bank depositors in order to remove the unfairness that at present exists?

Hon. J. A. ROBB (Minister of Finance): I hope, as soon as the debate on the address in reply to the speech from the throne is concluded, to table the estimates for the ensuing year, and my hon. friend will have to judge for himself whether there is anything for them or not.

TARIFF ADVISORY BOARD—EVIDENCE

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I should like to ask the Minister of Finance, in view of the fact that he was not able last year to fulfil his promise to the members in connection with copies of evidence taken before the tariff advisory board, whether he will lay on the table, for examination only, copies of any evidence which may be required by members of this house.

Hon. J. A. ROBB (Minister of Finance): There is certain evidence in the department. If there is sufficient room in the chamber after the evidence of the customs inquiry has been tabled, I will consider whether we shall table this or not.

Mr. ADSHEAD: If any member desires to examine the evidence in connection with any one case, in view of the fact that the promise made last year in connection with furnishing such evidence was not fulfilled, will that evidence be placed on the table for the purpose of examination?

Mr. ROBB: That is a very reasonable request. I see no objection to it.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Monday, January 30, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in addressing the house yesterday with respect to the speech from the throne, my hon. friend the leader of the opposition (Mr. Bennett) divided his remarks under three main heads. He referred first to matters of domestic concern, next, to those matters which have to do with imperial affairs, and finally to questions that have an international bearing. I was endeavouring to follow him in the order in which he had proceeded and had to a considerable extent concluded what I had to say with reference to the first division, which, by the way, constituted the longest portion of his utterances.

With respect to matters that are more or less of domestic concern, there were a few

points to which my hon. friend referred and to which I had not had time to reply when six o'clock came. As to these I shall endeavour in as few words as possible to give him the information which I think he wished to have, and also to address to him a question or two in reference to the significance of his own remarks.

My hon. friend mentioned that we on this side of the house had laid a good deal of stress on the importance of taking parliament as much as possible into our confidence, and wherever it could be so arranged, giving to parliament in the first instance information on matters of national concern, and certainly not making binding commitments without first obtaining the assent of this chamber and where advisable of parliament as a whole. I entirely agree with my hon. friend that such is the desirable course to pursue, and I assure him that such is the wish of the administration; and not only is it the wish, but it has been, and will continue to be, the practice, of the administration in so far as it can possibly be maintained. But I am sure my hon. friend will realize that during the parliamentary recess, when many months elapse between one session and another, situations will arise in which the government is certain to find it necessary to act immediately, and to come to parliament later on with a reasonable explanation of why the matter in question had not been held over for final decision until the members were assembled.

One of the matters to which my hon. friend referred was the announcement by the hon. Minister of Railways and Canals (Mr. Dunning) that it had been decided that Fort Churchill should be the ocean terminus of the Hudson Bay railway, and I think my hon. friend made the statement that the Minister of Railways and Canals had not only failed to take parliament into his confidence in making that announcement, but had failed even to take his own colleagues into his confidence. I should like to set my hon. friend's mind at rest at once in regard to the latter statement.

I recall the circumstances very well. Mr. Palmer was engaged first of all to make the study which he did with regard to the Hudson Bay because of his acknowledged reputation as an estuarial engineer of pre-eminence, of greater pre-eminence, I assume, than any other engineer engaged in like pursuits, and when he was retained it was assumed that the government was asking for his expert advice not for academic purposes, merely, but rather to be guided in its decision by the best advice that was obtainable. When Mr. Palmer made his investigation it was with a view to giving the government the benefit of his expert opinion, to enable it to decide in the interests of the country which was the most desirable port at which to have the ocean terminus of the Hudson Bay railway. While Mr. Palmer was making his investigation, the question naturally came up as to whether the announcement of the decision which would be made by him should be deferred until parliament assembled, or whether an immediate announcement should be made. The situation was canvassed to some extent between members of the government and the Minister of Railways and Canals before the minister went to the west with Mr. Palmer. It was felt that if Mr. Palmer was in a position to give his decision immediately, there was every reason why that opinion should be made known also to the country with as little delay as possible. Let me just ask my hon. friend what his criticism would have been if, having Mr. Palmer's opinion, we had withheld it. If, having had in our possession the opinion of an expert engineer who was to determine which was the better port, we had held back any announcement of his decision for several months, we would have been justly criticized on the ground that it was for reasons which affected the interests of friends of the government or something of the kind, and I think we would have been entitled to that criticism if we had taken that attitude. It was precisely because we wished to avoid any possible criticism, and also because we believed that in other respects it was in the national interest to give the country the information at the earliest opportunity, that it was decided before his report was made that the government should take prompt action with respect to announcing the decision of its expert.

May I add this? Far from failing to take his colleagues into his confidence in the matter, I recall very distinctly receiving from my colleague the Minister of Railways and Canals a telegram at the time the report had been finally made saying that the report was now in readiness and asking if I would ascertain from other members of the government their views in the matter, and give him the decision of council with respect to the publication of the report. That I did in a telegram that I sent to him, and on which he acted. But that was not until after council had been informed.

I think my hon. friend the leader of the opposition was unfair in another particular. He took a dispatch in the press which made certain adverse references to the circumstance that other developments had taken place over a

period of years which had now proved to be unwise, and he attributed what was in this newspaper comment to my hon. friend, though the article itself commences with the words, "Mr. Dunning refused to make any comment on the matter whatever." I submit that my hon. friend could not have read that article as carefully as he should have done, for if he did. I do not believe he would have made the particular comment upon the action of the minister which, possibly, in a little haste, he did. So much for the Hudson Bay terminus and the motives that actuated the government in reference thereto.

My hon. friend spoke next of the transfer of the natural resources to Alberta, and rather regretted that there had been a considerable delay in making the transfer. May I say to my hon. friend that I join with him in the regret that these resources have not been transferred more speedily, though may I hasten to add this statement, that having had the advantage which the members of the government had of meeting in conference last November the premiers of the different provinces and their colleagues and of considering with them the question of the transfer of the natural resources to the western provinces, I feel that it is possibly fortunate for the province of Alberta, as well as for the other western provinces, that a decision has been deferred until the present time, and that the necessary legislation has not been passed up to the present moment. Let me illustrate what I wish to convey.

One advantage of the conference was that premiers and ministers from the different provinces were in a position to give to the federal government an expression of opinion as to how in existing circumstances the action of the government would be viewed by their respective provinces—the action, for instance, of government with respect to subsidies to the maritime provinces under the Duncan report. We were pleased to find that without exception the premiers of the provinces of Quebec, Ontario, and of the western provinces, the premiers of all the provinces, were at one with the federal administration in having adopted the course which we did adopt in voting the grants which were made last session to the maritime provinces, and in saying that so far as their provinces were concerned they were only too happy that the maritimes should continue to be treated in like manner until at least the accounting which is asked for by the Duncan report had been completed. There was an evidence that the prairie provinces and British Columbia, as well as the central provinces, felt that in certain economic particulars the maritime provinces had been handicapped of recent years, and they were pleased that, as a factor contributing to the unity of our Dominion, the administration had taken the course it did in accordance with the recommendations of the Duncan report. Similarly in regard to the western provinces, we found, on the part of our friends from the maritimes, the premiers from Nova Scotia, New Brunswick and Prince Edward Island, and also on the part of the premiers of Quebec and Ontario, a distinct willingness to have the federal government, in the matter of dealing with the prairie provinces, take what may be described as a generous attitude in so far as that was consistent with financial considerations of which the federal government has to take account. They seemed to feel that the government might well consider what, in arranging for the transfer of their resources to the prairie provinces, has been one of the main difficulties up to the present time, namely, the advisability of continuing, along with the return of the lands, the subsidies which up to the present time, had been paid in lieu of the lands. The moment that attitude on the part of the other provinces became apparent to the administration, we found we were in a position to negotiate with the prairie provinces on a basis much more satisfactory than had existed before we had received that general expression of view on the part of the other provinces of Canada. After all, while these are federal matters, they do also affect all the provinces in the Dominion. As a consequence of the discussion which took place at the conference, the government has reopened the subject of negotiations with the Premier of Alberta in regard to the return of the natural resources to that province, and I am authorized by the Premier of Alberta to inform this house that so far as he is concerned, these negotiations are proceeding in a manner that is satisfactory to him at the present time. I hope that that assurance, which means that the matter is being satisfactorily dealt with as well, so far as the federal administration is concerned, will quiet any alarm or misgivings which hon. members opposite may have, concerning the progress of negotiations regarding the transfer of the natural resources to Alberta.

Then I come to British Columbia, and there again the expression of views of the other provinces was helpful to the administration. British Columbia made strong representations why some of the lands in the railway belt and the Peace River block should be returned to the province. I confess that the government had anticipated the wish of the British

Columbia government in that matter by having an inquiry made. The late John Oliver, as hon. members know, repeatedly brought to the attention of the federal government what he claimed were the legal rights of the province of British Columbia in that matter. In the spring of last year, if I recollect aright, the government appointed Mr. Justice Martin as a royal commissioner to investigate the question of the legal claims of British Columbia in respect of these lands. Mr. Justice Martin has submitted to the government an interim report, in which he states that, while he does not think there are legal claims, he is of the opinion that there are strong claims in natural justice—claims in equity, so to speak, on the part of that province for the return of these lands. Mr. Justice Martin's final report is not yet in the hands of the government, but as soon as it is received it will be laid on the table of the house and no doubt hon. members will be guided in the matter of subsequent legislation by the findings which the commissioner may make. So much for the question of the natural resources.

Mr. HEAPS: What will be the policy of the government in regard to the natural resources of Manitoba?

Mr. MACKENZIE KING: The same policy in the matter of natural resources covers all the provinces of the west. The federal government believes that the natural resources of the western provinces should be returned to them, but there are questions in relation to the transfer which require to be carefully considered. I should not like in any way to see created a situation which would be embarrassing to either the federal or provincial governments where our action is intended to be one which will have the effect of removing embarrassment, and therefore we may be proceeding with a little more caution than we would otherwise.

In regard to the Duncan report, I am glad to see that hon. gentlemen opposite so cordially accept it in its findings, and speak so highly of the service which has been rendered by the commissioners in the making of their report. Let me remind them—and I do it in case by any chance they should repeat a criticism of the administration in adopting a similar method at another time—that when the government decided to have the question of the maritime claims referred to a commission we were told by some hon. gentlemen opposite—indeed the line of criticism of the opposition and particularly of members of the opposition who came from the maritime provinces was—that this was no sort of way to deal with the question, and that it was only a means of evading the responsibility of the government in respect thereto. It has turned out to be the opposite. The government at the present time has implemented a very considerable part of the report and we intend to continue to carry out its recommendations.

On the subject of scientific research, I think my hon. friend is at one with the government in its desire to see in this country the work of industrial and scientific reseach furthered as largely as may be possible, and in a manner which will lead to co-operation between the federal and provincial governments. There again may I say that the Dominion-provincial conference was extremely helpful to the governments of the provinces as well as to the federal government. The subject was very fully discussed. The premiers of some of the provinces indicated the line on which they thought the provinces would be able most effectively to develop scientific research, and there was general agreement that, so far as the federal government was concerned, the establishment of laboratories here for the purpose of conducting certain lines of research would be the most important contribution which the Dominion could make. I will leave to my colleague, the Minister of Trade and Commerce to inform the house at a later stage just what the intentions of the government are in that particular.

My hon. friend has referred to the commission appointed to inquire into the fisheries of the maritime provinces in particular, and also of the province of Quebec, and has expressed the hope that its report will be tabled, so that hon. members may have it in the course of the present session. I will go one step further, and say that I hope that not only will the report be tabled, but that it may be tabled in time to permit this house, if thought desirable, to carry out in the form of legislation any of its recommendations, if legislation is called for.

Another matter to which my hon. friend referred was the announcement in the speech from the throne that the Department of Soldiers' Civil Re-establishment and the Department of Health would be amalgamated in a new department under the title of National Health and Soldiers Welfare.

The leader of the opposition expressed surprise that the speech from the throne did not contain any further mention of the promise made last session of a committee to inquire into the question of pensions. Well, may I tell my hon. friend that if we had attempted to put into the speech from the throne all

that we intended or promised to do it would have been a much longer document than it is, and he might perhaps have criticized us on that score. But I hope he will not think that anything which has been left out of the speech from the throne in the nature of a promise made in a previous session is being overlooked. The government intends at the very earliest date to ask the house to appoint a special committee to consider legislation which will be brought down by the Minister of Health and Soldiers' Civil Re-establishment (Mr. King) and to recommend what may be advisable by way of amendment to existing legislation. The hope of the administration is that the committee will go very fully into the whole question of pensions in its bearing on the well-being and welfare of returned men.

The remaining part of the address of my hon. friend in relation to the speech from the throne which concerned domestic affairs had to do with the question of trade. I confess that listening to him yesterday and also reading with considerable interest the addresses which he has made since he became leader of his party, I have yet to learn exactly what he has in his mind as to the policy he thinks should be adopted by the government with respect to trade matters. I hope during the course of the session he will enlighten us, and, if his party has a policy with respect to trade, that he will give us some opportunity first of all of knowing what it is and, if it differs from our own, of debating the merits of it. Up to the present time he has told us that what this country needs more than anything else is the development of its natural resources, the expansion of its commerce, and the development of trade within the empire. Well, all these are matters of common agreement. Of course we want to develop our natural resources, of course we want to trade with the different parts of the empire, and we want moreover to trade as widely as we can with all the countries of the world. If there is anything more than that in what my hon. friend has been telling the country is desirable in the way of policy, I hope he will enlighten us upon it.

I should like to ask him first of all, when he speaks of the development of our natural resources, whether in his experience of business affairs he has not found that capital is as necessary as labour in order to develop any branch of industry, particularly the great primary and manufacturing industries of the country. What the dominion needs at the present time is as much capital as possible brought in for the purpose of sound investment—not merely immigration for the purpose of supplying labour, but also the introduction of more capital. We want that capital from all quarters of the globe, and—may I say to my hon. friend?—the more we can get from the British Isles the happier we in this dominion will be. We cannot have too much British capital or British labour to develop our natural resources, so long as we are in a position properly to assimilate the population that comes to our shores; but simply to bring people into Canada without having the capital wherewith to put them to work in the development of our great primary industries is, I think, a questionable proceeding.

Mr. BENNETT: There are thirteen hundred and eighty-five million dollars of savings in this country not being used in industry or development. That is the answer.

Mr. MACKENZIE KING: Does my hon. friend wish us to infer that he does not want any more capital to come in?

Mr. BENNETT: No. People are fearful of using their capital. They are tying it up in the banks at three per cent instead of using it to develop industries.

Mr. MACKENZIE KING: I would say to my hon. friend that the large sums now in the banks is just another evidence of the great prosperity of this country. The more that is advertised to the world the more it will help to bring into this country the kind of settlers we want. I would ask my hon. friend, as the leader of the party opposite, if, when he speaks on a subsequent occasion, he will be a little more explicit as to just exactly what he wants to see done in the way of trade development, and how that wider development is to be brought about. He has spoken a great deal about trade within the empire. I should like to ask him this question—not to reply to it immediately, but I hope during the session: Does he want free trade within the British Empire? Does he want an increase in the British preference; and if so, on what particular commodities? Does he wish us to trade only within the British Empire, to build up a sort of exclusive economic unit within the British Empire; or is he prepared to have the producers and manufacturers of this country buy and sell in as wide markets as it is possible for them to find? Before my hon. friend pretends to the country that he has a policy on trade matters I think he ought

to make clear first of all in his own mind what that policy is, and then give to us the benefit of a clear expression of his views.

Speaking of trade within the empire, I have a few figures here that may help my hon. friend to reach a decision on this matter of benefit to his party and himself. Let us take the figures with respect to trade with the United Kingdom and other parts of the British Empire. What are they? In 1896 we imported from the United Kingdom commodities to the value of $33,000,000; in 1926 our imports amounted, not to $33,000,000, but to $163,000,000. From other parts of the British Empire we imported $2,000,000 in 1896; that had grown to $44,000,000 in 1926. In other words, our total import trade with the British Empire had grown from $35,000,000 in 1896 to $207,000,000 in 1926. Our exports to the United Kingdom in 1896 totalled $62,000,000; in 1926 that total had reached the large figure of $513,000,000. To other parts of the British Empire we exported in 1896 $4,000,000, and in 1926 $85,000,000. In other words, our total exports to the British Empire increased from $66,000,000 in 1896 to $598,000,000 in 1926.

While that is an enormous growth of trade within the British Empire and one of which we are all proud, may I draw my hon. friend's attention to this fact: that while in 1896 the empire took 60 per cent of our exports, in 1926 it took only 45 per cent, although there had been that great expansion from $66,000,000 to $598,000,000 in the total exports from this Dominion to the various parts of the empire. That, it seems to me, means that if this Dominion is to find markets for its produce and products, whether they be the raw materials that my hon. friend speaks of so much, or the goods that are manufactured from them, those markets must be found in all parts of the world. The United Kingdom or the British Empire as a whole cannot begin to take from us all the commodities we have to sell. Are we to wait until my hon. friend has brought about this economic union which he speaks of in a theoretical way in order that we may trade within the empire to the exclusion of other parts of the world?

Mr. BENNETT: He did not say that.

Mr. MACKENZIE KING: I may be wrong in interpreting what my hon. friend has in mind, but I think the house will agree with me that he has been sailing pretty close to the idea of a sort of economic unit of trade within the British Empire.

Mr. BENNETT: But he did not say it.

Mr. MACKENZIE KING: I am glad to have got that much from my hon. friend, that he has never said that we are to seek to make an economic unit of the British Empire in the matter of trade. However, may I make our position clear: What we want first of all is trade, and we would prefer to have that trade in largest measure within the empire. Wherever, therefore, there is opportunity for trade we shall take advantage of it, first of all among ourselves at home and next, other things being equal, with other parts of the empire, in preference to trading beyond. But when we have gone as far as we can in developing trade among ourselves and within the empire, then, if it is to the economic interests of the citizens of the Dominion to find other markets, we shall endeavour as far as we can to obtain such markets, and the best markets possible, in all parts of the world.

Let me call my hon. friend's attention to what appeals to me as an important consideration in this matter. What do we mean by raw material? The grain that is grown in the field is raw material: it is raw material from which flour is subsequently manufactured. Are we to understand that Canada is not to export her wheat at all but only to manufacture it into flour, shipping out the finished product alone? Flour itself is in turn a raw material, used in the making of bread. Are we therefore to cease exporting our flour and to export only bread? And so we might pursue the query? Take newsprint, for example: newsprint comes from pulp and pulp, as my hon. friend knows, is a product of the trees of the forest. But newsprint is a raw material; it is used for a variety of purposes. It becomes therefore a question whether we shall stop exporting newsprint, if the argument that is advanced is to be regarded as sound. If that is to be the case, let me remind hon. members that we have reached in Canada to-day the point where we have not only the greatest record which this country has ever achieved in the export of wheat and newsprint, but that our record in respect of the export of these two commodities is also the greatest of any country in the world. It seems to me further, we should keep in mind, if we are to have a proper appreciation of matters of this sort, the significance of conservation—something which my hon. friend apparently disregards altogether. Because wheat is grown and exported one year it does not follow that the soil has been exhausted and is incapable of

repeating the same reproductive process year in and year out. If proper regard is had for the rotation of crops, and for other considerations of which agriculturists have a wide knowledge, there is no reason why the fecundity of nature should not continue from year to year with increasing advantage to the nation. Similarly with regard to our forests. My hon. friend in some of his utterances seems occasionally to be under the delusion that we are necessarily depleting the country of its forests when we export such large quantities of newsprint. There again he should consider the importance of conservation properly carried on as a means of restoring and renewing our forests. If my hon. friend will give due consideration to this aspect I am sure that many doubts he may have in the matter will be removed.

I pass now to the next subject which the hon. leader of the opposition touched upon, namely, immigration. Here again I find the same difficulty in appreciating what precisely he has in mind. If he will scan the remarks he made in the house yesterday, as reported, he will see that what he suggested was the introduction of some immense scheme in relation to immigration. Apparently he seemed to think that the country was dissatisfied with the restrictive measures at present in force and that what was most needed was some large policy that would involve a considerable expenditure. If that is what he contemplates, I wish he would tell us just what the scheme is. That is what we are entitled to know. What does he want to initiate? What does he want to do with the money which he wishes parliament to vote for immigration? Does he want it spent in bringing into the country people to work in the factories? If so, let him tell us. Does he want to bring in people indiscriminately, without any of the restrictions that exist at the present time? If that is what he has in mind, should he not so inform the House? But do not let him criticize the government's immigration policy simply on the score of its not being satisfactory because it is not large enough to satisfy some ambition which he himself has not seen fit to disclose to the country.

As to the government's immigration policy, let me say this—and if this is not going far enough I wish my hon. friend would suggest how much further we ought to go—our policy is to bring into the country just as many people, of proper physique and general qualifications, as the country is capable of assimilating with satisfaction to itself as well as to those who are brought in. We do not wish to bring into Canada races that are not assimilable. We do not wish to bring in peoples from countries that have populations which, as experience has shown, do not make good citizens or settlers in our dominion. On the other hand, wherever men and women of strong, healthy physique and of proper character can be found, the doors of the country are open to receive them, under such restrictions only as this parliament places, or authorizes the government to place, upon their entrance into Canada. Parliament in its wisdom has thought well to make a distinction between different classes coming into Canada. We have felt that as a British dominion we should welcome, in larger measure than from any other country, immigrants from the British Isles. It is the desire and the wish of the administration to encourage as largely as we can immigration from England, Ireland, Scotland and Wales. We want to build up this part of the British Empire with people of British stock. But if the British Isles are not prepared to send their people, if the people of the British Isles do not wish to emigrate to this country, despite the inducements we offer, then we feel called upon, in the endeavour to increase the population of this dominion by immigration, to introduce strange stocks from other countries as well. The policy, then, is to accept as the best stocks, next to the people of the British Isles, those who come from the northern races of Europe, not because we have any particular criticism to make of the individuals who come from the southern climes of Europe, but because experience has shown that the northern stocks are best adapted to this northern half of North America. The effort of the department is to encourage immigration of people from Norway, Sweden, Denmark and other northern countries, next after those of the British Isles.

There are certain parts of Europe from which it has been thought advisable not to seek to bring in immigrants to any large extent, and parliament has decided that they shall be permitted to come in only subject to special permission on the part of the minister or of the department. My hon. friend said yesterday, with respect to permits, that all sorts of rumours were afloat regarding the department. He intimated that there was suspicion and a feeling that people were being kept out who should be allowed to come in, and that there was need for investigation. I am very glad that he made reference to this matter, because I think that wherever there is suspicion abroad the sooner we know about it the better; the sooner the whole matter is investigated the better it will be for everyone concerned.

Let me say to the house that the officials of the department have an extremely difficult task to perform. In the matter of administration they are restricted by the obligations which parliament imposes upon them; and, on the other hand, they have to stand all the abuse that may be directed against them for not meeting the wishes of persons who, from one motive or another, hold a view different from that which parliament has decided should prevail. I remember being much impressed in this house on one occasion with a remark made by the Right Hon. Mr. Fielding, to the effect that not only every member of the government but, as well, every member of parliament owed a special duty to the civil service to uphold public servants who endeavoured to discharge their duties honourably and honestly. The government of the country is carried on by a large body of civil servants who act under instructions and in accordance with the policies laid down by parliament. They are not free agents; if they did as they pleased they would be violating the obligations of their positions. They are put in positions and are expected to administer the law in accordance with the provisions of the statute. The Deputy Minister of the Department of Immigration, Mr. Egan, has sought, I believe, to administer the affairs of his department honestly. He is fearless and courageous, and all that I have seen of him makes me believe that he is possessed of the qualities which it is desirable to have in officers of the public service. If Mr. Egan is restricting immigrants from coming into this country in consequence of any regulation, all I have to say is it is for parliament to decide whether that regulation should continue or not. So long as the regulation is there, and the officer seeks only to uphold the regulation, no member of parliament is entitled to criticize him adversely. If there is any criticism to be made let it be directed against the government that keeps the officer in his present position. Let me say to my hon. friend that the government will be only too happy to have all the affairs of the Department of Immigration discussed and investigated by a committee of this house during the present session. It is suggested that that committee should be the committee on agriculture and colonization. I think that possibly, in view of its membership, it is the best committee to investigate matters relating to the Department of Immigration. I know that the minister at the head of the department was quick to volunteer the statement that he would welcome the fullest investigation into the affairs of the department, by the members of the committee. That investigation can easily be arranged, and will be arranged during the course of the present session.

My hon. friend stated that there was suspicion as to the permits that were being issued, as to how they were being issued and the like. May I say that if it is found that permits are being issued in an illegal manner no time will be lost on the part of the administration in seeing that that procedure is brought to an end very summarily. I wish to say, because it is within my own certain knowledge, that members on both sides are coming to the Minister of Immigration from day to day and pleading for the right to have permits granted to certain people in their own constituencies. That is known to every hon. member, and I say that if hon. gentlemen do not wish the permit system to continue by all means let it be discontinued. But if the permit system is regarded by parliament as wise, I would urge hon. members to support the minister and the department in their efforts to carry out that system properly.

I am not so sure that the views expressed by my hon. friend in regard to the extent of immigration to Canada give a fair idea of what is being done. My hon. friend expressed the view that we were doing nothing at all, and that immigration was being brought almost to a standstill. The hon. gentleman knows better than that. Not only is that the case, but his own words disclose that he knows directly the opposite, because elsewhere in his address he said that there were not half of those that came in 1913. My hon. friend chose 1913 because it was the peak year, so to speak, of the immigration movement to Canada. Let me point out that 1913 was before the war. At that time Europe was in a state of panic, and many people were trying to get away from the continent as fast as they could. In 1913 transportation costs across the Atlantic were low. These were factors which contributed to a heavy immigration movement at that time. Moreover, for a number of years previous to 1913 there had been considerable immigration from Europe to Canada, and as every hon. member knows no immigration propaganda is as effective and as helpful as that which comes from immigrants who have come to this country and are living here happily and contented. They are glad then to induce their friends to come and settle in the new land where they themselves have encountered success. I need not point out the unfairness in making a comparison between 1913 and to-day. Take the population of Europe to-day. Why that continent has been largely depopulated of those progressive spirits who

are ready to move from one part of the world to another when opportunity offers. There is no country in Europe, and that is true particularly of the British Isles, which has not suffered a tremendous loss of manhood in consequence of the war. How then is it possible to get the same volume of immigration that took place in 1913 and preceding years. In 1913—I speak only from memory at the moment—my impression is that you could go from ports in the British Isles to Montreal for something like $25 or less. To-day the fare is $80 or more. That is a very different situation to-day when we want to get immigrants. Notwithstanding the handicap to which I have alluded the immigration to Canada for the first nine months of the last fiscal year amounted to 128,928 persons, an increase over the corresponding period of 1926 of 14,893, or 13 per cent. Of the total of 128,928 the immigration of British, United States, French, Belgian, Swiss, Scandinavian, Dutch or German origin amounted to 92,955. In the nine months under review—here I want to direct the attention of the house to a statement by my hon. friend that Canadians were leaving the west to go into the United States—33,722 Canadians returned to live in Canada from the United States where they had gone with the declared intention of residing there permanently.

Mr. McGIBBON: Is the Prime Minister aware that in the last five years more Canadians crossed to the United States than the number of immigrants who, from all sources, came to this country?

Mr. MACKENZIE KING: I am not, but I would say this to my hon. friend. I would rather in the interests of immigration give to the country the statement I have just made than the one he has made to the house.

Mr. LAPOINTE: "Whisper of death."

Mr. MACKENZIE KING: It is insinuated sometimes that the government is not doing as much as it should towards encouraging immigration from the British Isles as compared with Europe. What are the facts? I will ask hon. members to listen for a moment while I communicate the details of the relative expenditure on bringing immigrants to Canada from the British Isles as compared with bringing them from Europe, and ask if they think the insinuation or implication is correct that we are doing more for immigration from Europe than we are for immigration from the British Isles. The expenditures on the continent of Europe totalled $63,000 in 1925-26, and $57,000 in 1926-27. The per capita cost of continental immigrants was approximately $1.50 in 1926 and less than 80 cents in 1927. In the British Isles during 1925-26 we spent in advertising, literature, exhibitions and general office expenses, $427,000, and on passage assistance during the same period, $317,000, a total of $744,000, or an average of approximately $20 for every British immigrant secured. In 1926-27 the expenditure was $881,000, or an average of something over $17 per capita. For the continental immigrant there is no passage assistance; he pays a minimum ocean rate of $112.50 or stays at home. A Britisher who pays his own way pays a minimum ocean rate of $84.50, while if he belongs to the classes receiving assisted passages, his ocean passage costs him but two pounds and his children under seventeen years of age travel free.

That is the position as between the continent and Britain and I submit that those figures are unanswerable as to the effort on the part of the government to encourage migration from Great Britain. When my hon. friend speaks about other parts of the empire receiving British immigrants, what are the figures? In the calendar year 1927 Canada received 47,607, Australia 27,571 immigrants. During the same period there was a total of 60,967 passages assisted in England, of which Canada received 29,287, Australia 26,021, New Zealand 5,368 and South Africa 293. Therefore our proportion of immigrants from the British Isles who received assisted passages was the largest of any of the dominions. One would think, from much that one reads in the press, that Australia and other countries were getting away ahead of us in British immigrants. My hon. friend, I think, will discover when the committee on agriculture and colonization considers this question, that what is really at the back of all this criticism of the Department of Immigration is the fact that while this parliament is prepared to vote money to assist immigrants to come to Canada who will take up agriculture as an occupation or become domestic servants, parliament is not prepared to vote money for persons who will engage in other occupations and callings.

Those who are interested in bringing into this country people regardless of the occupation into which they will go are continually finding fault with the administration because our assisted passages are limited to those two classes and because equal amounts are not given to people who wish to enter Canada to engage in other occupations. I ask hon. gentlemen opposite who are members of the legal and medical professions how long they

would tolerate a contribution by the state to bring in by assisted passages lawyers and doctors in large numbers from the British Isles to Canada. The man who is a mechanic working at his trade, the skilled engineer, the miner, men in the building trades and the like feel in exactly the same way with respect to what they have devoted of their time and energy in acquiring skill in their particular trades.

Mr. CAHAN: In respect of those other than agriculturists who are coming in, is it not a fact that they are prevented from coming in from other countries than Great Britain unless they go into agriculture or become domestic servants?

Mr. MACKENZIE KING: I think my hon. friend is mistaken there in the broad inference that one would take from his remarks. May I put the matter in this way? As regards the British Isles anyone can come to this country who can qualify as being physically fit; there is no restriction of any kind. As regards Europe there is an occupational test; a man has to follow a particular occupation in order to be permitted to enter Canada as an immigrant. May I add this further? As regards the British Isles, if the immigrant belongs to the agriculturist class or is a domestic servant his or her passage is assisted, paid for the most part by the state. In connection with Britain there is further a contribution by this parliament which is joined in by the parliament of Great Britain towards the settlement of families from the British Isles in this country. That does not exist with respect to the continent.

There are some European countries from which certain classes, as I indicated a moment ago, can come only under special permission. But parliament has decided that, and the Department of Immigration is surely not to be blamed for carrying out regulations which parliament has made. If hon. gentlemen feel that we should not exclude any class from Europe, all they have to do is to amend the law to that effect. But I submit that they will not do so because what in the matter of immigrants is of greatest importance to this Dominion looking to the future is quality rather than quantity.

Mr. CAHAN: I am asking purely for information and not from any partisan motives. Is it possible under the regulations for a citizen of France, no matter how wealthy he may be, who is engaged in any occupation except that of agriculture or domestic service, to enter Canada at the present time for the purpose of settling?

Mr. FORKE: I might answer for the Prime Minister. As a matter of actual practice, immigrants from all countries of northern Europe are coming in under practically the same provisions as immigrants from Great Britain provided that they pass the health qualifications.

Mr. CAHAN: If they get special permits from the minister.

Mr. FORKE: No.

Mr. CAHAN: A relative of mine who happened to be a French citizen came into Canada to stay for six months, and although a person of wealth and distinction I was asked to give a bond for return.

Mr. FORKE: If the hon. member will give me the name of that person I will make inquiry and I will guarantee that the case is not exactly as he states.

Mr. CAHAN: My statement will stand.

Mr. FORKE: I will take the name.

Mr. KENNEDY: Does the Prime Minister not think the farmer has the same right to object to competition as the doctor or the lawyer?

Mr. MACKENZIE KING: I have no doubt he has the same right to object but he does not do so. The farmer is anxious to get as much as he can in the way of agricultural assistance and I think he takes a much broader view on these questions than some others.

Mr. BENNETT: May I direct my right hon. friend's attention to the fact that it is not the statute that prohibits but the regulations made by order in council under the statute and this parliament has not had an opportunity of dealing with the matter, but rather orders in council prepared by the government have been made to conform to particular cases that are desired to be met.

Mr. MACKENZIE KING: I am quite prepared to agree with my hon. friend that the statute gives the government authority to make regulations. Those regulations are laid on the table of the house; they are known to all hon. members. If those regulations are not satisfactory, let us have a debate on the matter and amend and change them. The point that I am making at the moment is that as long as those regulations exist it is unfair to officials of the department who are doing their utmost to serve their

country faithfully and well, to criticise them on the score that they are endeavouring to restrict and prevent people from coming into Canada. My hon. friend said that he had a telegram from some friend of his in Europe complaining about instructions with respect to medical examination.

Mr. BENNETT: From London.

Mr. MACKENZIE KING: That serves to illustrate just how far criticism may go in completely misrepresenting the intention and purpose of the administration in respect of some of the so-called regulations. For years the medical examination of immigrants to Canada took place on this side of the ocean. I think hon. members will all agree that we do not want in this country classes who are defective, delinquent and dependent, but that we want classes that will come up to a certain qualification. The examination took place at Grosse Ile, with what result? The result was that many of those who had left their homes in the old country were turned back when they reached the shores of Canada. What was the criticism made? The criticism was that the government by making its examinations on this side was deterring immigration; that every man who was sent back became a centre of discontent in the country to which he returned. It was urged that instead of having these examinations made at the time of landing and consequent painful returns of immigrants to the old country, the examination should be made in the old country itself. Then at great expense, because it is a great expense, the government appointed medical examiners in Europe and the British Isles, placing them not one in every village but at a considerable number of points. Now we are criticized because of alleged extravagance by the government in paying for these physicians on the other side, and then our hon. friend comes and tells us that we are criticized because we make the immigrants on the other side undergo this examination.

Mr. BENNETT: No; it is the character of the examination.

Mr. MACKENZIE KING: This also is a matter which I would wish this committee to discuss, and I think it will be shown that every one of the so-called restrictions has been made primarily if not entirely in the interests of the immigrant. As I say, I believe it will serve a useful purpose in every direction to have the entire question of immigration as thoroughly ventilated as possible.

With respect to the empire settlement scheme, and in particular to the possible criticism that we are not doing as much as we should, may I quote a paragraph from an interview given at Vancouver by the Secretary of State for Dominion Affairs, Mr. Amery, in regard to this government's part in cooperating with the British government in empire settlement? As every hon. member knows, no one has more at heart than Mr. Amery, the Secretary of State for the Dominions, the success of the empire settlement scheme. Here is what Mr. Amery said in one of his first interviews:

> I do not think there is any feeling in Great Britain that the Canadian government is not doing its part to stimulate immigration, and I do not think there has been any apathy on the part of the Canadian government in the old land in this respect. The fact is there have been economic factors at work which have retarded the flow of emigration to this country.

There is a statement which I hope hon. members will take as authoritative having regard to the source which I have mentioned.

I regret that I have found it necessary to dwell at such length on these matters of immediate domestic concern. I shall endeavour speedily to conclude by referring to the two other main subjects which my hon. friend brought up in his address. I refer to imperial and international questions.

First of all, may I allude to the remarks of my hon. friend on the alleged commitments of our country at the League of Nations. He said, if I followed him aright, that parliament ought to know a great deal more about what is going on at the League of Nations and what we are being committed to than it does; that there has been recently an economic commission on which Canada has been represented, and that the implications of its findings are matters of concern to all of us, and he said that these commissions should not exist without a fuller knowledge on the part of members of this house as to what they are doing. He also intimated, in particular, that there was an order in council or a despatch sent some time ago which set out the policy of the government in regard to arbitration; or rather, it was the other way round—that the policy of the government in regard to arbitration in international affairs was a matter on which he desired to have more concrete information, and which he thought—my hon. friend shakes his head. Did I not understand him aright?

Mr. BENNETT: I referred to the observations with respect to Senator Dandurand's speech, and I said that in my judgment that speech did not warrant the implications founded upon it. My right hon. friend will find what I said in Hansard.

Mr. MACKENZIE KING: Probably there is very little difference between my hon. friend and myself on this point. The government's policy with respect to arbitration was set out in a despatch tabled two years ago. What I wish to say with respect to the League of Nations and the part that this country is assuming in relation thereto is this: As hon. members of the house know, the reports of the representatives of this country at the League of Nations, the reports of delegates who have been appointed to the league, are tabled every session, and in addition to that, there is distributed to all members of parliament the proceedings of the League of Nations which contain, I understand, all that transpires there that is of moment. These documents give as complete information to members of the house as it is possible to get from any source.

In regard to the economic commission to which my hon. friend has just referred, may I say to him at once and to the house that that was not a commission on which ministers of the crown were represented. It committed the government or the country to nothing. It was a commission of experts on economic questions, meeting under the auspices of the League of Nations to discuss means of more effectively bringing about greater stability in economic matters throughout the world—a body of experts who met in Geneva and discussed these matters there, and prepared a report. That report will be presented to parliament. The report of our members on the economic commission will be presented to parliament, I hope, to-morrow. It would have been ready for presentation to-day, but it is being translated. I desired to present both the French and English copies at the same time.

I now come to that part of my hon. friend's address which touches upon the much discussed subject of status. May I say to the leader of the opposition at once that so far as we on this side of the house are concerned, our view in regard to Canada's position within the British Empire is none other than that which was laid down at the Imperial conference of 1926, in that part of the report of the conference which relates to the status of Great Britain and the dominions and which is set forth in black and white in the published proceedings of that body. May I say this further to him, that in that particular, namely, in our view as to Canada's position, we do not differ one whit from the view of the government of Great Britain, the government of New Zealand, the government of South Africa, the government of Newfoundland, and the government of the Irish Free State. All the governments of the self-governing dominions, and the government of the mother country have expressed their view as to the present constitutional position of the dominions and the mother country, and that position is the position which we at all events, as the Liberal party in this country and, in another capacity, as the government of this country, take with respect to Canada's status at the present time. May I read from the proceedings of the imperial conference the exact statement of Canada's position as we conceive it to be in relation to other parts of the British Empire? The report of the conference reads:

> There is, however, one most important element in it—the British Empire—which, from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the group of self-governing communities composed of Great Britain and the dominions. Their position and mutual relation may be readily defined. They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

That position has not only been emphasized, as my hon. friend has said, by my colleague the hon. Minister of Justice (Mr. Lapointe) and myself and other members of the government, but it has been stressed in this country by every visitor we have had in this Dominion in the past year who has had anything to do with the imperial conference. The Prime Minister of Australia, when he passed through Canada, said that this was the position so far as Australia was concerned in regard to its relations to the other parts of the empire.

Mr. BENNETT: Australia can amend its own constitution.

Mr. MACKENZIE KING: I am going to have a word with my hon. friend on that point in a moment. Then the Premier of New Zealand took the same position as respects both New Zealand and Canada. We have just had a visit from the President of the Executive Council of the Irish Free State, who has taken exactly the same position, and we have had within the last week a visit from the Secretary of State for Dominion Affairs who has repeated at different points in this country the same position. We had during the summer a visit from the Prime Minister of Great Britain, not to

mention His Royal Highness the Prince of Wales, each of whom took exactly the same position with regard to our status.

My hon. friend has just interjected that Australia has the power to amend its own constitution. What I wish he would tell the house is whether, if he is in any way dissatisfied with the present arrangement, he is prepared to join with us in having amended the present procedure in regard to the amending of our constitution.

Mr. BENNETT: The responsibility rests at the moment with my right hon. friend.

Mr. MACKENZIE KING: My hon. friend says that the responsibility rests with us at the moment. Under the circumstances, and since he hesitates to give expression to his own view, let me give to the House what I conceive to be the views and desires of my hon. friend with regard to the amending of our constitution. I think that possibly my hon. friend and those of us who sit on this side of the house are not very far apart on this matter. At all events we were not very far apart before he became the leader of his party, and I cannot believe he has changed since, although no doubt he has received warnings from those who sit about him as to how far he should go in these matters. I have in my hand a copy of a very admirable address which my hon. friend delivered before the board of trade of his native city, Calgary, on June 5, 1927, before he had become the leader of his party. May I just read to the house the account which appears in his own paper, the Albertan, of the address which he delivered there?

Mr. BENNETT: To those who live in Alberta that is a joke.

Mr. MACKENZIE KING: Then my hon. friend takes exception to the statement that the Albertan is his paper?

Mr. BENNETT: Rather.

Mr. MACKENZIE KING: But he will not take exception to the accuracy of the report?

Mr. BENNETT: I have not seen it.

Mr. MACKENZIE KING: Perhaps he will tell me if the report is incorrect. This report reads:

Mr. Bennett began by mentioning that Canada will probably advance as much both constitutionally and otherwise in the next ten or fifteen years as she did in the past fifty or sixty years. In 1865 Canada was a dependency of Great Britain and was treated as a colony by that country. The members of the British house in the debate on the British North America Act revealed themselves as devoid of vision as to what the confederation would mean. Since then the relations of Canada with foreign powers in respect to trade, the making of treaties and the like involved the assertion of nationhood.

These are good words.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Then he continued:

But Canada cannot properly be called a nation to-day even though there have been great changes since confederation.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: He continues:

Canadian laws are still subject to disallowance by Westminster theoretically, and there is on the statute books of Great Britain a law which says that in certain cases British law has precedence over Canadian law.

That was something along the line of what he said yesterday.

Mr. BENNETT: The reporters did not understand the legal side of it.

Mr. MACKENZIE KING: I read further:

In one matter there has been no progress. We are still without the power to amend our own constitution.

This is what my hon. friend said:

If Canada is to be a nation she must have this power.

Now does my hon. friend want Canada to be a nation? We should like to know whether my hon. friend wishes this country to be a nation or not.

Mr. BENNETT: I will answer it. Nationhood technically used in international law involves, as I said yesterday, complete independence. I am not prepared for the complete independence of Canada.

Mr. MACKENZIE KING: My hon. friend is putting his own construction on the word "nationhood." May I say to him that the reason that I welcome the equality of status as between the different dominions of the empire and Great Britain is that I believe it is the only basis on which the British Empire can continue and endure, and for that reason and not from any desire of independence in the sense to which my hon. friend refers, I am a strong supporter of the present position of the British Empire as laid down at the Imperial conference of 1926. The quotation continues:

If Canada is to be a nation she must have this power. In its ultimate analysis the constitution of Canada is a statute passed by Great Britain. The British parliament is supreme except in cases where it has delegated its power,

but there is no indication in the British North America Act that that power has been parted with. There are indications that the Canadian people are beginning to wish to have this power.

That is the end of the quotation. Then the report in the paper proceeds:

Mr. Bennett referred to the fact that other dominions have the power to change the constitution, namely, Australia, New Zealand, South Africa and the Irish Free State.

Then a quotation again:

It seems to me that young men must be prepared to calmly consider what machinery shall be set up by it to amend our own constitution.

Mr. LAPOINTE: These are fine words.

Mr. MACKENZIE KING: The quotation continues:

This to me is the biggest problem.

Mr. BENNETT: I agree I said that.

Mr. MACKENZIE KING: The report in the paper continues:

He referred to the report of the imperial conference and said that Canada has not equality of status within the so-called commonwealth of nations, and that to refer to Canada as a nation is a misnomer—

Mr. BENNETT: Exactly.

Mr. MACKENZIE KING: —

—while the present constitutional arrangements exist.

Mr. Bennett also referred to the selection of a Canadian flag which he said was another problem which would demand attention before many years and was wrapped up with the problem of obtaining the power to change our own constitution.

Mr. BENNETT: Hear, hear. So it is.

Mr. MACKENZIE KING: My hon. friend must leave the house to judge from this just what his real desire with respect to nationhood is.

Mr. BENNETT: I did suggest—and that is a very casual report in the newspaper—that it was highly desirable that the young men of this country should think in terms of the possible amendment of our constitution, and with respect to the flag—it was the time of the controversy in South Africa when the people were tied up with that problem—I said it was time the people of this country were thinking of it. I do not withdraw a single word of what I said.

Mr. MACKENZIE KING: Yesterday in the course of my hon. friend's remarks, he used the word "implication" and spoke of what was implied. It is desirable that the house should know just what his point of view is with respect to the position of Canada within the empire and what deduction is to be drawn from his own utterances in this regard.

I will not take up the time of the house by citing statements of other parties as to Canada's position, but I would like to put on record one statement made by Mr. Amery, Secretary of State for Dominion Affairs, who is here in our country, with respect to what, in his opinion, was laid down at the conference. Speaking as a British minister he said:

The conference had laid down in the first place the complete equality of British nations—that none was subordinated to another. "Canada is no more subordinate to Britain than Britain is to Canada" he declared. "That principle is laid down for the whole empire with absolute unanimity."

With that statement we on this side of the house are in entire accord and complete agreement.

Yesterday my hon. friend's remarks were directed in large part to the Colonial Laws Validity Act, and he argued that because there is on the statute books of Great Britain a law known as the Colonial Laws Validity Act, under which statutes repugnant to the laws of Great Britain when passed by this parliament become of no force and effect, we are not, shall I say, a nation—

Mr. BENNETT: Not of equal status.

Mr. MACKENZIE KING: Not of equal status with the mother country. May I say to my hon. friend that if he is speaking of purely legal technicalities—

Mr. BENNETT: Not technicalities—official interpretation.

Mr. MACKENZIE KING: Legal interpretation—then perhaps he can find some support for what he says, but may I remind him that every recognized authority on constitutional law and constitutional history has taken the view that the constitution is something larger and broader and higher and deeper than a mere matter of law. The constitution is not made of statutes alone, but of customs and practices and traditions, as he well knows, and of principles and practices which have been long in use, all of which played their part in determining the constitutional position and status of a country.

Mr. BENNETT: I desire to make myself perfectly clear to my right hon. friend. I say the customs and practices have nothing whatever to do with judicial interpretations. The courts take no notice of anything else but statutes, as appears in the Nadan case, and therefore in the Nadan case they interpreted the statutes—

Mr. MACKENZIE KING: I do not wish to go into the legal side of this matter with my hon. friend. I prefer to leave that to the legal members of the house. But I want to say that there would be some force in his contention if the factor to which he has drawn our attention had not been the very factor of which full notice had been taken and to which particular consideration had been given at the conference. What was the precise endeavour of the conference with regard to describing the status of the dominion? It was, first of all, to discover whether there was agreement between all parts of the British Empire as to the nature of the relations existing between the different self-governing parts to each other; and if so, what the basic principle of the relationship was. There was no difficulty in discovering that. It was agreed by all that it had been a matter of evolution. It was not some new thing of the moment, brought for the first time into being. It was the opinion of all that the point reached in the constitutional evolution of the dominions themselves and their relation to the governments of Great Britain and of one another was such that the only accurate description of the relationship existing between them was one of equality of status. Once that principle had been laid down, then the conference proceeded to see whether in any particular there was a survival of the old order which had passed away. It was recognized that there had been a change. I submit that the greatest of all the transformations that had taken place in respect to the British Empire had been the transformation from the conception of the empire as an imperial unit to be highly developed in the form of a federation to this acknowledged conception of the empire as a community of free nations, owing a common allegiance to the same crown, having similar constitutions, cooperating with one another in accordance with certain well understood principles, but in no state of subordination one to the other.

Having laid down the position, the conference had then, as I have said, to see whether there were survivals of the old order, whether there were anachronisms, whether there remained anomalies. As was to be expected, one, two, three or four anomalies presented themselves. One was the case my hon. friend has mentioned. If you have equality of status, if that is the position between the dominions and the mother country, how can you reconcile that equality of status with the power which the Colonial Laws Validity Act apparently gives to the imperial parliament?

That is what is troubling my hon. friend. It was noticed at once at the conference that that was an anomaly; at once it was stressed that the statute could not continue to be operative under the condition which has now come to be recognized, and immediately the conference undertook to provide ways and means of removing that anomaly. Instead of seeking to remove it instantly during the sessions of a conference which had been called only for a few weeks, and which was then nearing its close, recognizing that there were legal obligations and difficulties involved, it was decided that a committee of experts from different parts of the empire would meet with a view of considering how that particular anomaly might be removed before the time of or at a subsequent conference.

The whole position in that regard has been set out in the proceedings of the conference. Let me, in order to confirm what I have said, read from the text of the report of the conference. After setting forth the statement of equality of status in the terms in which I have read it, the report has the following:

> Equality of status, so far as Britain and the dominions are concerned, is thus the root principle governing our inter-imperial relations. But the principles of equality and similarity, appropriate to status, do not universally extend to function.

I do not need to continue on that part.

Mr. CAHAN: It is puzzling to me to know what "function" means.

Mr. MACKENZIE KING: My hon. friend and I will have to talk about that some evening. I think we can work it out together. Here is the point:

> Existing administrative, legislative, and judicial forms—

My hon. friend has referred to the judiciary; there is a reference to judicial forms.

> —are admittedly not wholly in accord with the position as described in section 2 of this report.

The conference recognized that there were some features not in accord with the principle.

> This is inevitable, since most of these forms date back to a time well antecedent to the present stage of constitutional development. Our first task then was to examine these forms with special reference to any cases where the want of adaptation of practice to principle caused, or might be thought to cause, inconvenience in the conduct of inter-imperial relations.

Going on from that stage in the procedure, under the head of Operation of Dominion Legislation, the report continues as follows:

Our attention was also called to various points in connection with the operation of dominion legislation which, it was suggested, required clarification.

And what was one of those points?

(d) The operation of legislation passed by the parliament at Westminster in relation to the dominions. In this connection special attention was called to such statutes as the Colonial Laws Validity Act.

The very point that my hon. friend has drawn our attention to. Now what does the report continue to say with regard to that?

We gave these matters the best consideration possible in the limited time at our disposal, but came to the conclusion that the issues involved were so complex that there would be grave danger in attempting any immediate pronouncement other than a statement of certain principles which, in our opinion, underlie the whole question of the operation of dominion legislation.

What is said further on this point?

Mr. CAHAN: Is not that an ideal to be attained rather than a realization at the present time?

Mr. MACKENZIE KING: My hon. friend is quite correct in saying, it is an ideal to be attained, and I hope he will join me in the endeavour to bring about its attainment.

Mr. CAHAN: There is no pretence of our having attained it.

Mr. MACKENZIE KING: There is no pretence; this statement sets the situation forth in black and white. This citation, I think, answers what my hon. friend says about "pretence". Referring to certain matters that may have to be considered in the interim the report says:

On this point we propose that it should be placed on record that apart from provisions embodied in constitutions or in specific statutes expressly providing for reservation, it is recognized that it is the right of the government of each dominion to advise the crown in all matters relating to its own affairs. Consequently, it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's government in Great Britain on any matter pertaining to the affairs of a dominion against the views of the government of that dominion.

Now, Mr. Speaker, when the British government itself declares that with respect to any statute which affects this dominion it will not undertake to advise His Majesty, but will have His Majesty advised by the government of this dominion, whether it be with respect to the Colonial Laws Validity Act or any other statute, I submit that we need have no fear about the full establishment of the principle of equality of status as between governments. Then the report goes on to say that:

Steps should be taken by Great Britain and the dominions to set up a committee with terms of reference on the following lines:—

And one reference is:

(iii) The principles embodied in or underlying the Colonial Laws Validity Act, 1865, and the extent to which any provisions of that act ought to be repealed amended or modified in the light of the existing relations between the various members of the British Commonwealth of Nations as described in this report.

May I suggest to my hon. friend that perhaps he would be well advised to give to this particular question the same degree of thought that his predecessor in the high office which he now holds as leader of the Conservative party has given to it. I think he will find if he reads what Sir Robert Borden has written on the question of status that Sir Robert takes as to the evolution in the constitutional development of the Dominion very much the view which is now being expressed. May I cite one paragraph from Sir Robert's treatise on Canadian Constitutional Studies which relates to the question of Canadian status. Probably we will hear my hon. friend quoting it one day on a Conservative platform as a part of his policy:

As no formal attempt was made to define the constitutional relations between the British and Canadian governments, those relations were free to develop by the same slow and sure steps which had built up the system of government now obtaining in the United Kingdom. Unfettered by a written constitution in the ordinary acceptation of the term, that system has been moulded and is controlled by custom and convention to a remarkable extent. In the words of Lord Bryce, "the always changing constitution becomes interpenetrated by custom." Anson puts it in much the same way: "If in our constitution we find that law and custom diverge, we must note first what is the law, and then how it has been overgrown by custom."

"The conventions are superimposed upon the law, and modify political relations without in the least affecting legal ones." In an interesting contribution to the history and study of relations between the nations of the British commonwealth, Mr. H. Duncan Hall points out the vast scope of changes that may be effected through new conventions of the constitution.

Mr. BENNETT: Since then we have had the Nadan decision.

Mr. MACKENZIE KING: My hon. friend, with all his legal acumen, might well, instead of seeking to emphasize a small technical point upon which he dwells at such length, offer the house some advice as to how best, for the benefit of all concerned to remove this last anachronism, this trifling anomaly, this irritating remnant.

And now may I conclude by referring to the one other matter in the speech from the throne which my hon. friend discussed at some length,

namely, the decision on the part of the administration to have ministers plenipotentiary exchanged between France and Canada and between Japan and Canada. May I here preface what I have to say by reading the paragraph which appears in the speech from the throne. I would ask hon. members to follow the sequence of statements as they are there set forth. The paragraph in the speech from the throne reads:

As contemplated by the conclusions of the imperial conference of 1926, provision was made on July 1 for direct communication between His Majesty's government in Canada and His Majesty's other governments of the British Empire. The further implementing of these conclusions which aim at more effective consultation through personal contact by the appointment to Canada of a representative of His Majesty's government in Great Britain is being discussed between the Secretary of State for Dominion Affairs in Great Britain, who is at present in Canada, and members of my government. By agreement between the governments of France and Canada and the governments of Japan and Canada it is proposed that each of these countries shall be represented in the other by a minister plenipotentiary.

Let me now take the proceedings of the Imperial conference as they relate to the question of representation between Great Britain and Canada and indicate to the house what was there agreed upon among the representatives. At page 22 of the report, under the heading, System of Communication and Consultation, there appears the following:

Sessions of the imperial conference at which the Prime Ministers of Great Britain and of the dominions are all able to be present cannot, from the nature of things, take place very frequently. The system of communication and consultation between conferences becomes therefore of special importance. We reviewed the position now reached in this respect, with special reference to the desirability of arranging that closer personal touch should be established between Great Britain and the dominions, and the dominions inter se. Such contact alone can convey an impression of the atmosphere in which official correspondence is conducted. Development in this respect seems particularly necessary in relation to matters of major importance in foreign affairs, where expedition is often essential and urgent decision necessary. A special aspect of the question of consultation which we considered was that concerning the representation of Great Britain in the dominions. By reason of his constitutional position, as explained in section 4 (b) of this report, the Governor General is no longer the representative of His Majesty's government in Great Britain. There is no one therefore in the dominion capitals in a position to represent with authority the views of His Majesty's government in Great Britain.

That is all I need quote in the present connection. What I wish to direct the attention of the house to is this: The Imperial conference, composed of those members of the several governments within the empire who have to do for the most part with communications passing between different parts of the empire, were agreed that the time had come when there should be not only direct communication as between government and government but also greater opportunity provided by way of personal contact and personal consultation, as a supplement to the written words of a despatch exchanged between governments. Perhaps I might state it thus wise: As nations, in their relations one with another, have found it advisable as the years have passed, to develop a diplomatic service whereby communications may be exchanged not merely in the form of written despatches from one government to another but having the advantages of personal contacts as well, so within the British Empire, with the business of the empire growing as it is, and with the increasing need for cooperation, extending as it has extended since the war, a useful purpose will be served if, in addition to written despatches, there are resident in the various capitals within the empire personal representatives from other parts of the British commonwealth of nations. It was recognized that it was for each dominion and for the British government to decide individually how best it should be represented in the other self-governing communities. Canada has been represented in London for many years by a High Commissioner. The High Commissioner in London holds the highest position in the gift of this government in its diplomatic relations with the world outside Canada. As between the other governments of the British Empire and Canada on the one hand, and as between foreign countries and Canada on the other, there is of necessity a considerable difference in some particulars in the matter of representation. It seems to me that there must be drawn a distinct line between representation as between units within the empire and the representation of a dominion in foreign countries. I believe that so long as there is a British Empire the contacts within the empire will be to each dominion more important, more numerous, in every particular more essential, than will be the relation between that dominion and any foreign country; and for that reason I shall always feel that, so far as this country is concerned, the highest post in a representative capacity that may be given beyond the confines of Canada will be the post occupied by the official, whoever he may be, representing this Dominion in London. Whether he be called a High Commissioner, or by whatever other title he may be designated,

he should be regarded as the head of that representative service which has to deal with the affairs of Canada abroad.

I do not know where my hon. friend got the idea, but he spoke about the possibility of appointing a minister to London. I want to assure him that so far as we on this side of the house are concerned, so far as the government is concerned, we have never thought of anything of the kind.

Mr. BENNETT: That was the word used in many press articles.

Mr. MACKENZIE KING: I agree that the press may have used the word, and I think my hon. friend was right in directing attention to the fact that "minister" would not be an accurate designation of Canada's representative in London. It would not be accurate, first of all, for the reasons which my hon. friend gave; and moreover it would be certain to be confused with "minister of the crown". The last thing I should wish to see, carrying out the doctrines of responsible government, would be a minister of the crown from Canada residing in London and there without opportunities of consultation with his colleagues, committing the administration of this country to whatever he might wish to say or do. There is another factor of importance, and that is the difference which must always obtain within the empire in the relation of one who represents merely a government and not the crown and one who represents not merely the government of his country but also the sovereign or recognized head of the country from which he comes. May I make this a little clearer by way of illustration. Within the empire, the crown is represented in Great Britain by the King and in this Dominion by His Excellency the Governor General. The government of Great Britain, as distinct from the crown, has in Canada no representative at the present time. Such however is not the present position of the United States in Canada, which by its minister is represented both as respects the president and the government. Among other subjects discussed by Mr. Amery when passing through Ottawa was this very question of a representative to be appointed from Great Britain to this dominion. The Secretary of State for the Dominions made it clear that it was the intention of the British government to appoint a representative who would reside at Ottawa. What his designation will be, or who will be chosen, is a matter for the British government to decide. Mr. Amery naturally wished to have an opportunity of conferring with his colleagues in England before announcing any decision on either of these particulars, and he is returning with certain views after having carefully considered the situation during his visit to this country. Whoever is sent by Britain to represent the British government will receive a very cordial and warm welcome to this Dominion. I believe that the effect of personal representation of the British government at Ottawa will go very far to make closer and more effective the consultation which is so desirable if there is to be effective cooperation between the British government and our government; that it will make that consultation much more effective than it has been hitherto. Having said this, I now say to my hon. friend: If personal conference and contact is desirable as between governments of the British Empire, why is it not equally desirable with respect to the governments of the British Empire in their relations to the governments of other countries? The British government has thought it advisable to have a representative of His Majesty and His Majesty's government in all parts of the world. That has proven to be in the interests of Great Britain. Why should it be less in the interests of His Majesty's government in Canada to have its representatives in other parts of the world? True, there is no necessity for having a number of representatives; we must gauge the situation in each case as we feel the necessity of so doing.

I submit, however, that in Europe conditions have vastly changed from what they were when Canada was first given representation there. It was in 1888 that Sir John A. Macdonald appointed a high commissioner or commissioner general to Paris. For forty years Canada has been represented in Paris by a commissioner general. In the intervening period there have been cataclysmic changes. In the recent past no less than four empires have disappeared, no less than twelve or thirteen new republics have come into being. The whole complexion of the map of Europe has altered. A league of nations has come into existence. This Dominion of Canada is a nation in the League of Nations, as it is a nation in the community of British nations. Not only is Canada represented in the assembly of the League of Nations but it has a representative on the council of the league. I say therefore that conditions, so far as Europe is concerned, are entirely different from what they were at the time the commissioner general to Paris was appointed. I think it will be conceded by all who have been in Paris and have met Hon. Mr. Roy, the Commissioner General, that he has established there a position very different from the one which it was expected a commissioner general would hold, and that his position is

in reality much more nearly that of a minister. By that I mean, a minister has the right, as representing his government, of immediate approach to the ministers of the government to which he is accredited. He has the authority to speak in the name of his government. Mr. Roy has time and again been accorded that right as a matter of courtesy by the French government and by the British Ambassador in Paris. It has, however, been as a matter of courtesy that the right has been conceded. Now we have come to the time where we feel that if there is to be equality of status and co-operation between the different self-governing communities of the British Empire there should also be an increased measure of responsibility on the part of each with respect to its own affairs. We feel that Canada's interests, which have grown so largely in the course of the years, will be safeguarded more effectively, that the business interests of this country in relation to France and the government of Canada in her relations to the government of France will all be in a better position, if our representative in Paris is given a standing similar to that which a number of other countries, many of them much smaller than Canada, enjoy in France at the present time. and, I might add, the British government correspondingly relieved of a measure of embarrassment and expense. We have thought it advisable therefore to take this step.

Now I turn to the orient, and let me first point out the change which has taken place in the situation there. I believe it is true that our trade with the orient to-day is greater than was the trade of Canada with the United Kingdom at the time the government of Sir Wilfrid Laurier came into office. When that event took place Canada's trade with the United Kingdom stood at a certain figure. That figure is exceeded to-day, so I am informed, by the total trade of Canada with the orient. Now volume of trade is indicative of a variety of increasingly important interests, and while I think it is wholly desirable, as my hon. friend (Mr. Bennett) said, that we should have trade commissioners, and an increasing number, scattered in different parts of the world, no trade commissioner as such, it must be remembered, has any right to approach the ministers of the government of the country in which he holds office, nor does he speak with any authority on behalf of the government by whom he may be employed. He is not a representative of that government, he is the agent of a government department. I may say that our government has received from trade commissioners in different parts of the world repeated appeals that their status should be improved, that they should be given something of a diplomatic status; that Canada was suffering because they had not the status which would enable them on behalf of the dominion to have those relations with the governments of the countries in which they were stationed which they felt was desirable in the interest of Canada.

We have appointed one representative to the United States. We intend to appoint a minister to France, who will be the sole representative on the continent of Europe, and one to Tokyo who will be the sole representative on the continent of Asia. To appoint but one representative in Europe, one in Asia, in addition to one in America, each of whom will have the standing of ministers and be in a position to meet the diplomats and members of governments of other countries on an equal footing, is surely not in the present stage of our international relations proceeding with undue haste. And may I say to my hon. friend that the purpose we have in view in this matter is not at all that of emphasizing our status. That is not our view. We do not need to emphasize our status; our status is conceded and we are no longer worrying about it. But what we do maintain is this, that if there is to be equality of status there must be something also in the way of responsibility with respect to our own affairs, foreign as well as domestic, in whatever pertains to the relations between this dominion and other countries of the world. What we wish is to assume the responsibility which we as a nation, having to deal in increasing measure with foreign affairs, feel we should assume in the position to which Canada has attained at the present time. This I submit, is essential to effective cooperation with other parts of the empire.

May I say one further word in regard to our representation in the orient? Here I touch on a very large subject, and I hope the house will receive what I have to say as coming from a profound conviction of what I sincerely and deeply believe is of importance in the relations of this country with the orient. I was sorry to see at the party convention which my hon. friend attended that among other resolutions which were passed was a resolution declaring for oriental exclusion. I do not wish to question the motives of anyone in connection with the introduction or passing of that resolution. I believe one can read it, as an hon. member from my hon. friend's own party has done, as not really meaning what it appears to say.

May I make this perfectly clear, that as regards desiring a white Canada and a white British Columbia, as regards desiring to maintain the standards of our labour in British Columbia, I will yield place to no one in the belief that we must not permit competition of the oriental races with our own people in that province? I think the numbers that have come into this country from the orient are excessive already and there is abundant reason why every possible measure compatible with good relations and good will between the different nations of the world should be adopted in order that we may prevent what I believe would be a very serious consequence were, for example, labourers from the orient to be permitted to come to this country in any numbers. But what I do say is this, that in dealing with foreign countries, a country with a population as large as that of Canada, a country as important as this country is, cannot afford to fail to take cognizance of the susceptibilities of the nations with which they are doing business and with which they wish to deal not only this year but for years to come. Hon. members know very well that there is no term more offensive to the Japanese people than the word "exclusion". I feel that in this parliament on these matters of foreign affairs my hon. friend opposite and myself ought to be able to unite in taking a question of this kind completely out of the realm of party politics. Let us agree that we do not want oriental labour coming into this country in competition with our own. But let us realize this, that if we are going to remain, as I hope and pray we always shall remain, a part of the British Empire, we owe a certain obligation to be true not only to ourselves but to other parts of the British Empire in our relations with and attitude towards other countries of the world.

During the time I was privileged to be present at the meetings of the Imperial conference I learned a good deal about the difficulties which were confronting Great Britain in some of her foreign relations. Indeed, if not the main purpose of the conference, it always seemed to me to be the most important result of the conference that those who came from other parts of the empire were afforded an opportunity of coming to appreciate the magnitude of some of the problems with which Great Britain herself had to deal and the importance of certain considerations with respect thereto. I believe that within the last year or two there has been no problem which Britain has had to face that in the seriousness of its aspect has been comparable with that of the unrest which has developed in China, and which in the last session of this parliament led to discussions as to whether or not there was to be war in the orient and whether or not this country was to participate in it. Along with that unrest in China, stimulated as there is every reason to believe it has been from some other parts of the world, there has been great unrest in India. If to the unrest in India and the unrest in China you give the Japanese nation cause to feel indignation and resentment at the British Empire, I do not know what the consequences are going to be. I wish to say to my hon. friends opposite that when the government was face to face with the situation created by that resolution, and was forced to ask itself how, in the face of it, it was to deal with this oriental problem, then, and for the first time, we took the position that we could not stand for restriction of immigration by a policy of exclusion in those terms, but that we would do our utmost by diplomatic endeavour with a friendly nation to see that the numbers of Japanese coming into this country were reduced to the lowest possible point in a manner which at the same time would help to preserve the friendly relations between that country and ourselves and between that country and the British Empire.

Mr. BENNETT: Perhaps my right hon. friend will explain what he said a moment ago that there were too many of them now.

Mr. MACKENZIE KING: I meant exactly what I said. I would say so to-morrow in Japan. I think there are too many Japanese of the labouring classes in British Columbia at the present time. I have always made that clear. My hon. friend turned to the Speaker yesterday and complimented His Honour upon his visit to Japan and the result of his diplomatic mission some twenty years ago. Does my hon. friend think we would have succeeded even at that time in getting the reduced numbers we succeeded in getting if the whole matter had been left to despatches or to the roundabout process of dealing through the Foreign Office in Great Britain with the Foreign Office in Japan? It was because we were able to send from Canada one of our own citizens, one of our own ministers, and have him deal at first hand with the Japanese government that at that particular time we were able to make the arrangement we did. There was one remark which my hon. friend made yesterday that I did not like. I hope I was wrong in what I gathered as to the meaning of his reference to the diplomatic skill of this

country. I contend that the diplomatic skill of Canada with respect to Canadian affairs is of just as high an order as the diplomatic skill of Great Britain or that of any other part of the British Empire.

Mr. BENNETT: I made no reference to the diplomatic skill of Canada.

Mr. MACKENZIE KING: I am glad to hear my hon. friend say that.

Mr. BENNETT: Where a gentleman has been able to remain in power from 1921 to 1926, as my right hon. friend has, I have a high regard for his diplomatic skill.

Mr. MACKENZIE KING: I can tell my hon. friend he will come to have a still higher regard if he just continues where he is for another half a dozen years.

Mr. BENNETT: It will not be that long.

Mr. MACKENZIE KING: May I conclude, Mr. Speaker, by saying that it has been solely from a desire of meeting the responsibilities of Canada as one of the sister dominions of the British Empire, to play our part with respect to Canadian affairs as we believe we should play it in foreign relations as well as in domestic relations with a full consciousness of our responsibilities, that we have been led to take the step we have taken with regard to representation in Europe and in Asia and of which we hope this house will approve. In other words, our desire in these particulars as respects our country in its relation to other parts of the British Empire is expressed by the three words: equality, cooperation and responsibility. We believe in the equality of the British nations within the empire; we wish to co-operate in a friendly and helpful way with all parts of the empire, and we wish in cooperating to assume to the full the responsibilities which as a nation within the British Empire we believe are ours in imperial and international affairs.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, before addressing myself to some of the important problems with which we in Canada are confronted, I should like to be permitted to extend my congratulations to the hon. member for Hants-Kings (Mr. Ilsley) who moved the address in reply to the speech from the throne. I can assure him that I enjoyed his address very much and I hope he will be long with us in this house to give us the benefit of his opinions. I had also the pleasure this morning of reading the translation of the speech of the hon. member for Provencher (Mr. Beaubien) who seconded the address in reply to the speech from the throne. I enjoyed very much the reading of it, and I regret that I do not sufficiently understand the French language to have been able to follow him when he was speaking.

I wish also to thank the leader of the opposition (Mr. Bennett) for his kindly reference to me yesterday. I am quite sure it was a mistake on his part during the proceedings on Thursday in this house when he forgot to make the reference, which forgetfulness he deplored. I accept his explanation and I appreciate his reference.

It will not be possible for me, Mr. Speaker, in view of the fact that the forty minute rule is now in effect, to give to this house a detailed consideration of some of the more important questions with which I should like to deal, but so far as this group is concerned, no doubt different speakers will take up specific questions and give them a more detailed survey than it is possible for me to do in the time at my disposal this afternoon. I shall therefore lose no further time, and turn my attention to one or two of the more important matters.

The speech from the throne this year is not a document such as it was last year. It is not very specific. It is, in my judgment, merely a recital of circumstances or things which have already taken place. It gives to the House no intimation of the legislative program of the government for this session. In that respect the speech from the throne is very deficient. It is regrettable that the members of the house will have no intimation until such time as the actual legislation is brought down of what the legislative program which we shall have to consider later on will be. Comparing the speech from the throne this year with that of last year, a tremendous difference is to be noted. Last year the government did give the house a very good forecast of the legislation it intended to bring down, so that the members were apprised beforehand of what they might expect and were therefore in a position to study the different subjects that were coming up. But the speech this year is very deficient in that regard, and under no circumstances would we be justified in using extravagant language in praising it.

Since the house prorogued last year I have had the privilege of addressing many meetings of electors in my own constituency, and of telling those people that for once in the history of this country we had a government in power that carried out its promises at least on one occasion, and that was this government during the last session. We all remember the session

of 1926 when a certain program was before this house containing important pieces of legislation. For certain reasons which we all understand it was impossible to carry out that program at that time, but I had the pleasure of telling the people of my constituency that when the same government came into power again last year, they were in a position to carry out and did carry out their previous program, and we appreciate that very much indeed.

The speech from the throne states that we have evidences of great prosperity. It is quite true that we have exidences of greater prosperity than has prevailed for several years past. But is this prosperity general, or does it apply to certain sections of Canada and only to certain classes? I think we should find, if we were to review the situation very closely, that certain classes in Canada are probably fairly prosperous, but that on the other hand many other classes in Canada can by no stretch of the imagination be called prosperous. As a matter of fact if you go into our large cities to-day I think you will still find bread lines, notwithstanding all these evidences of prosperity that are spoken of, and because of that fact I feel that the speech from the throne is not as explicit in that respect as it should be. I think we all realize that certain sections of the country are not enjoying the same measure of prosperity as are other sections. There may be economic reasons why some sections of this country are not enjoying the same measure of prosperity as others are, but without going into those reasons there is no doubt at all that such sections do exist in Canada.

Dealing with the question of unemployment, which also is related to the question of prosperity, my hon. friend the leader of the opposition (Mr. Bennett) in his address to the house yesterday afternoon cited the fact that we had imported during the last fiscal year $80,000 000 more of goods than we did the previous year, and he attempted to show to the house that if we had not imported this extra volume of goods we would probably have had no unemployment problem in Canada. I think my hon. friend is sufficient of a business man and has had a wide enough experience to know that all business is an exchange of goods and services, whether it be between individuals or nations; consequently if Canada is to export her surplus products—and in some lines of production we have a surplus in great abundance —it is necessary for us also to import. In that connection I should like to point out that there is some information which is lacking at present and which would be of great value to the members of this house if it could be secured. We recognize, of course, that we are borrowing large sums of money from the different countries of the world for development purposes, railroad construction and the like, for loans for settlers and so forth, and that all our governments, federal, provincial and municipal, are borrowing large sums of money abroad. Now the only way in which we can pay back the principal and keep up the interest payments on these borrowings is by exporting our goods and selling them in the markets of the world. But we have no record at the present time of just what our annual obligations under this heading are, and I would suggest to the Minister of Finance (Mr. Robb) that for the better information of the house and of the country generally, steps should be taken to secure that information as rapidly as possible so that we may have an intelligent idea of what our real balance of trade is at the present time. We do not know whether or not the balance of trade which is indicated as being in our favour is a real balance of trade, because we may owe in principal and interest more than the balance that is indicated in our favour. Under these circumstances, therefore, we are discussing this very important question more or less in the dark—merely stabbing at it instead of dealing with it in the light of full knowledge. I would again urge the Minister of Finance to take steps to make this information available to the house.

A great deal has been said, not only in this house but throughout the country, as to the necessity for securing capital to develop our natural resources and to build up industry. I should like to place this viewpoint before the house for its consideration. First of all, let us determine what capital is. Money is not capital. Money in its proper form is merely a medium of exchange, a medium whereby services or goods of one class are exchanged for services or goods of another. Money, therefore, being a medium of exchange, is not and can never be capital in the proper sense of the word. Real capital consists of lands for building purposes, the buildings erected upon these lands for manufacturing or productive purposes, the machinery of production and the raw material necessary for the product. That is the real capital. Whenever any person advocates the importation of large amounts of capital he must at the same time advocate the importation of large volumes of goods. Capital does not come into this country in the form of money. It comes first of all by way of credits.

After the credits are distributed, as they are intended to be distributed, there must follow the importation of goods either from the country of the origin of this credit or from some other country; consequently when we ask for the importation of capital or the increase of capital from outside sources we are asking for the importation of goods, and those who are of a protective frame of mind naturally would object to that. The two terms are not synonymous, and they can never agree in any shape or form.

The situation appears to me to be this: We have in this country undoubtedly a surplus of labour at the present time. Probably that surplus is not so great to-day as it has been in years gone by, but nevertheless we have a surplus of labour. We have the raw material from the natural resources to which that labour can be applied, and in most cases we have the necessary machinery of production. I wish to ask this question in all sincerity of all members of the house; is there any reason why we Canadians cannot create our own capital in our own way to suit our own needs? I maintain that it is quite possible for us, if we so desire and if we organize properly, to produce our own capital without importing it, and without at the same time having to pay interest for the use of it. This is a matter of very great importance. It is a big question, I admit, but no effort, so far as I am aware, has been made along those lines for the creation of our own capital. I am not at all satisfied that it is a good policy for the Canadian people to advocate the importation of large volumes of capital which eventually will have to be repaid and at the same time pay dividends upon it. I believe that, in the interests of the people of Canada, the working classes and all classes, it is very essential that we create the most of our own capital, to be used for our own services, in order that we may create a larger measure of happiness amongst all classes of Canadian people.

I should like to refer for a few moments to the conditions in western Canada. It has been said that we in western Canada have harvested the second largest crop in the history of the three prairie provinces. While that is true so far as the number of bushels is concerned, on the other hand we regret to say that the quality of that crop this year is in many respects very low, and consequently the monetary return to the farmers of western Canada will not be as large as we had anticipated prior to the harvesting season.

Mr. DUNNING: It is only of value for export.

[Mr. Gardiner.]

Mr. GARDINER: That is quite true. Under those circumstances we do not expect to have the same measure of prosperity, measured by our purchasing power, as we had anticipated. We have had great losses from natural causes. During this year we have had more damage from hail in western Canada—at least in Saskatchewan and Alberta—than we have ever seen before. That has hit some sections and some farmers very hard, almost to the extent of putting them out of business. We also have had considerable damage from frost. That, of course, is a natural cause which you cannot overcome except by securing early ripening kinds of grain. Probably the greatest problem we have before us to-day is the question of rust. I want to pay a compliment to the Minister of Agriculture (Mr. Motherwell) for his desire and his effort to try to secure ways and means to combat this menace to our welfare in the west. I should like also to point out to the government in this regard that, so far as the investigation of this particular matter is concerned, we require the services of the best trained minds that we can secure. It is so important a question that we cannot afford to be penny-wise in regard to it, and it is necessary to pay higher salaries than we are paying to-day in order to obtain the services of the right class of men to assist us in this great problem. I would suggest to the government and to this house that it would be far better to pay those salaries in the hope of securing some remedy than that the western country should be subjected to the tremendous loss it now has to bear.

Mr. MOTHERWELL: Hear, hear.

Mr. GARDINER: This is also applicable to other research work. It has been stated on many occasions that we in Canada lose the services of many of our best scientists and research men because we cannot afford to pay salaries equal to those which are paid in the United States. If this country is to progress as it should progress—and research work is essential to that progress—I maintain that we cannot afford to allow another country to secure the services of these valuable men, irrespective of what the salaries may be. Consequently I hope the government will see to it that, wherever possible, if they can retain the services of these men, the salaries must not stand in the way.

I desire to come to the question of the interprovincial conference. I believe such conferences are very valuable. Probably we have too few of them. I believe that this

government, or whatever government may be in power, can secure through interprovincial conferences an idea as to the conditions in the various provinces which form the confederation. Therefore I suggest to the government that instead of having long intervals between these conferences they should hold them more frequently. By that means the government will always be apprised of important questions which affect the welfare and happiness of the various provinces.

At the last interprovincial conference apparently the only question that was really decided so far as we have any information at the present time was the continuation of the subsidy to the maritime provinces. Of course I am not taking the attitude that out of that interprovincial conference other questions of value may not be settled before the close of the session. But so far as the speech from the throne is concerned the question of the continuation of subsidies to the maritime provinces seems to be the only question that found a final settlement in that conference. I have no objection at all to the maritime provinces securing increased subsidies. I did not take any objection last year when the bill was before the house. The only question I asked the Prime Minister in that regard was whether this was to be an annual subsidy or was intended merely for one year. His reply to that question was, "For one year." Now we have the matter mentioned in the speech from the throne, and naturally the government will wish to carry out its promise in that regard. As I have stated before, I have no objection to this increase in subsidy, but I do object to some provinces being treated differently from others. If we can be assured by the government that the whole question of subsidies to the provinces is to receive sympathetic consideration, then I will withdraw any objection at the present time. But, remember, I object solely on the ground of the difference of treatment accorded the various provinces.

In my judgment increased subsidies to the provinces have become almost a necessity. Because of the demand for social services, resulting in social legislation, the provinces, financially, are unable to give those services unless they secure increased subsidies from the federal government. If we are to give the social services that are demanded, services that present day conditions warrant, then the whole question of subsidies to the various provinces must be considered from that standpoint, and I trust the government will give it sympathetic consideration.

This afternoon the Prime Minister made a statement which I was very glad to hear with regard to the return to the prairie provinces of their natural resources. I think those provinces had practically reached the conclusion that the question had become, and was likely to remain, a political football for all time, or until the natural resources were all dissipated. However, in view of the assurance which we have this afternoon received from the Prime Minister, I trust we can take a more hopeful view of the situation. I must confess, Mr. Speaker, that I had come to the conclusion that the time was ripe for the prairie provinces to stop all negotiations with the federal government looking to the return of their natural resources, and that the whole question should be referred to our courts and finally, if necessary, to the Privy Council, to determine whether this parliament ever had the right to withhold those resources. But having heard the Prime Minister's assurance this afternoon, I am going to wait and see in the hope that it will not be necessary for the provinces to take such action. I have given this matter some study during the last fifteen months, and in my judgment there is good ground to believe that the provinces would win an appeal to the Privy Council on such a reference. However, if the provinces can come to an amicable arrangement with the federal government I think it will be better for all concerned, and I hope that this important matter will be so settled.

This afternoon the Prime Minister also made reference to the claim of British Columbia to the return of certain lands within its borders. He stated that the law officers of the crown advised the government that British Columbia had no legal claim to these lands, but that for certain purposes it might be advisable to meet the wishes of the province. If it can be shown that it is a fair proposition I do not think that either myself or my colleagues would object to the transfer, but before the matter is finally decided we hope that we will get the requisite information to determine whether such a transfer is really necessary and justifiable. I trust, however, that this question is not going to become a political football in view of the possibility of a general election in British Columbia in the near future. Let the question be decided upon its merits, and if it can be shown that British Columbia is entitled to these lands, I do not think there would be very great objection to their transfer.

In the prairie provinces we are still confronted with railway problems. We appreciate the legislation that was passed by this house last session for branch line construction in connection with the Canadian National Railways. We appreciate also that the Canadian Pacific Railway is doing its duty to the best of its ability in providing branch lines. But there are still many districts unprovided with the necessary transportation, and until it is provided it will be impossible for them to produce to their utmost, and consequently Canada will suffer just to that extent. May we hope that another branch line program for the Canadian National Railway system will be in evidence this session, and that the Canadian Pacific Railway will also take similar action in regard to its system?

I now come to one of the important questions that has been discussed in this debate. I refer to the Hudson Bay railway. For years western Canada has felt that great injustice had been done to it because of the failure to complete this railway. Last year the Minister of Railways (Mr. Dunning) intimated to the house that before any further expenditures would be made on a terminus an independent investigator would be sent into the territory to determine whether Port Nelson was feasible or whether another port should be selected. I wish to thank the minister for his kindness in sending me a copy of Mr. Palmer's report, which I have perused with a good deal of interest. From the data furnished by Mr. Palmer it is evident to me that a great mistake was made when Port Nelson was selected as the terminus of the Hudson Bay railway. I also had the privilege of discussing this question with a friend of mine who was in that territory for three years with a survey party taking soundings at Fort Churchill and in the waters adjacent to Port Nelson. He informed me that in the judgment of those engaged in that survey Port Nelson was not a very good place to provide shipping facilities, and that in fact Churchill was superior in every way. I trust, however, that no mistake will be made in selecting Fort Churchill as the terminus. I do not know just to what extent the government has committed this house and the country to expenditures at that point. I can quite understand their desire to ensure the completion of this work at the earliest possible moment; on the other hand, I think the government in matters of this description should be very careful not to take into their own hands that power which in the final analysis is vested in the House of Commons.

[Mr. Gardiner.]

Mr. DUNNING: If my hon. friend will permit, is he suggesting that that was done in this matter?

Mr. GARDINER: I am referring now more particularly to expenditures. I said I did not know just exactly how far the government had gone. If no expenditures of any great importance have been made, then I think probably the attitude of the government is quite correct; but outside of the question of the terminus to be selected, if those expenditures have been sufficiently large, then probably there is some reason for complaint.

Mr. DUNNING: Authority was given by the house last year and that authority has not been exceeded. The amount granted was $5,130,000 and the discussion which took place in committee of supply is surely clear. Every member of the house knew what it was proposed to do. I am not now addressing myself so much to my hon. friend as to the leader of the opposition (Mr. Bennett), who suggested a moment ago that there was no authority.

Mr. GARDINER: I must remind my hon. friends that I am subject to a time limit.

Mr. DUNNING: I would request that the hon. gentleman be given consideration for this interruption.

Mr. GARDINER: I am glad to accept the minister's explanation, and in the light of the evidence produced by Mr. Palmer I can congratulate him on the action he has taken in the matter.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GARDINER: When the house rose at six o'clock I was about to deal with the question of immigration. I was very glad indeed to hear the statement of the Prime Minister this afternoon, to the effect that if the house deemed it desirable the whole question of immigration would be sent to one of the committees for investigation. I believe that would be the best way to deal with the situation, because we need to have an immigration policy suitable to the conditions which prevail to-day. We must remember that the conditions which obtained in 1900, and for some years thereafter, were altogether different from what they are to-day, and the new conditions demand the adoption of new immigration methods. From 1900 onward a large amount of railway construction was done in Canada,

and an extensive area of crown lands was available for settlement. Under those conditions it was possible to absorb large numbers of immigrants annually. But to-day there is not the same amount of railway construction, which provides employment for new settlers, nor have we the same extent of crown lands from which to make grants to new settlers. In my judgment a land settlement policy is essential. Not only do we need such a policy but we must take care that no greater number of immigrants are to be admitted to Canada than the country is in a position at the time to absorb. I appreciate very much the suggestion the Prime Minister made in this regard. At present there is a partial land settlement scheme in operation in conjunction with the imperial government, but I understand that this will take care of only some three thousand families, and I should not be at all surprised to hear that the specified number of families have already been settled under that policy. We must review the whole situation and see if it is not possible to adopt a more effective policy with respect to immigrants than the one which is now being followed. I have had several interviews with men who claim to be in touch with the situation, and I have been informed by these men that many immigrants are coming from Great Britain under the assisted passage scheme, but instead of going on the land they are crowding into the cities. It is an easy matter for them to do so at points contiguous to large centres of population. The result is that under that particular policy we are getting immigrants who come to Canada at the reduced rate and then go to swell the population of our cities, which is certainly not in the best interests of Canada. I approve very heartily of a strict medical examination of immigrants, but complaints have come from different sources as to the severity of this examination in Great Britain. I have also received complaints with respect to the medical examination on the continent, but it is claimed that the examination there is not so severe as it is in the old country. If so, British immigrants to Canada are in a measure discriminated against. I do not know whether or not the statement is correct.

Mr. KING (Kootenay): There have not been any examinations made on the continent as yet, and very few have been made in the old country up to the present.

Mr. GARDINER: I accept the explanation. I am merely bringing these matters to the attention of the government so that they may take cognizance of them.

I wish now to deal for a few moments, if I may, with the case of the returned soldiers, whose situation is becoming more pressing each day. I should like to see this matter also referred to a committee for investigation. There are many veterans who require a medical examination but have not the needed funds to pay for medical attention; they are unable to follow any employment and consequently are almost destitute. It may be quite true that the Minister of Health has not at present the power to take care of this particular class of men, but some remedial legislation is necessary in their interests and that legislation is long overdue. These men have served their country faithfully and their health is now impaired. Whether that condition is or is not due to war service, in my opinion, makes no difference. I believe it is the duty of the country to see that these men who have served Canada so faithfully should be given such medical care as it is within the province of this parliament to grant. I appeal strongly to the house on behalf of this particular class of men, because I know many of them are in poor health and have not the means to secure that medical care which they should receive.

My time has pretty well elapsed, consequently I shall not be able to deal with many other matters which I desire to discuss. For instance, there is the question of grants to highways. We had in this country a policy by which there was a grant of $20,000,000, I believe, to assist the provinces in building highways. I maintain that the federal government has a duty to perform in regard to interprovincial highways and I trust that before the session is over this matter of assistance to the provinces to build particularly interprovincial highways will be given serious consideration by the house.

Then there is the question of technical education. We had a grant from this parliament for the assistance of technical education in the provinces. Some of the provinces have built suitable institutions for the purpose, but when the grant is withdrawn or has expired they will not be in a position financially to carry on this good work. Technical education is very important to all classes in Canada in that it makes our workmen and our people generally more efficient in their life work.

There is also the important question of the rate for Alberta coal. I will not attempt to-night to go into that, because time forbids, but I trust some of our members from Alberta will have an opportunity of dealing very extensively with that particular matter.

As regards the question of the St. Lawrence development, we are partial to that develop-

ment, yet we believe that much more information should be secured before that work is proceeded with. We are sympathetic in regard to the matter and that is about as far as we can go at present.

I have not the time to deal with the question of the tariff advisory board and its reports, except to remind the Minister of Finance (Mr. Robb) that at all times members of this house should be in a position to secure reports of the evidence given before that board. If the question is one of funds, I trust that before parliament prorogues such funds will be made available.

I have not the time also to deal with the question of the redemption of the national debt and its being put on a sound financial basis. Up to the present we have merely taken the surpluses that accrue each year for the reduction of that debt, and in my judgment that is not good business procedure. Certain items should be included annually in the estimates until the national debt is much reduced.

I have just half a minute at my disposal and I am going to take it in order to enter a protest here. We have listened with a good deal of interest to the leader of the opposition (Mr. Bennett) and also the Prime Minister (Mr. Mackenzie King) in their addresses to this house. I was particularly interested in the Prime Minister's address this afternoon, more especially on constitutional questions. The Prime Minister spoke for something like three hours and twenty minutes, and while we all appreciate the value of his address, at the same time it seems somewhat incongruous in a democratic organization such as this. The last redistribution took place on a population basis; that is to say, each constituency had about the same number of inhabitants in it, the quota being something like 36,000 souls. That means that each member of this house is responsible for the representation of a similar number of electors, but under the rule of last session a discrimination has crept in. At that particular time I did not appreciate the importance of the change in the rule limiting most of the members of this house to forty minute speeches, but if this rule is continued, an undemocratic situation will be created, and at this time I merely appeal to the house to re-consider that rule.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in most of what the last speaker (Mr. Gardiner) has said I heartily concur. To-night, however, I should like to emphasize particularly certain matters in which the Labour group whom I represent are interested. The speech from the throne as an indication of the government's program is distinctly disappointing; indeed it would almost seem as if the speech were becoming simply a convenient peg on which to hang a very elaborate ceremonial. I should like, however, to compliment the government on one or two matters which have been introduced, and I wish to refer first of all to the proposed appointment of a minister to Japan. It seems to me that action recognises not only the wider responsibilities which are facing us in Canada, but at the same time the importance of a situation which prevails on the Pacific coast. I refer also to the announcement that the government intend to give substantial assistance to industrial and scientific research. That it seems to me is a distinct step in advance.

The speech makes reference to the prosperity of the country. The hon. member for Hants-Kings (Mr. Ilsley), in his very graceful speech, admitted that the prosperity was not as evenly distributed as it might have been, and he went on to say that he referred particularly to the territorial distribution. I would agree with him with regard to that matter. Certainly the central provinces are enjoying a larger measure of prosperity than either the east or the west, but I wish to refer particularly to the distribution as between classes. According to the latest statistics which are available in the Canada Year Book of 1926, the capital invested in manufactures amounts to $3,538,813,460, the net value of the products to $1,256,643,901, and the wages to $420,269,496. The percentage of wages to the value added by the manufacture is 33.4 per cent. When the labourer receives only one-third of the added value which his labour produces, I do not much wonder that the other classes who receive the remaining two-thirds rejoice in the great prosperity. What does that one-third amount to in the case of the individual wage-earner? The average yearly wage is only $972, or roughly, $81 a month, or only $20 a week. I ask: How can a man live and maintain a decent standard of living on that amount, and how can the country generally be prosperous if the purchasing power of the mass of the workers is so low as that? I do not mean to say that this has anything to do with politics. It is ridiculous that either the leader of the government or the leader of the opposition should suggest that. This is but an indication of the great economic laws that are at work. Recently we have had from the census bureau of the United States Department of Commerce a report covering a survey which has been made of all the branches of manufacturing in the United

States. The report points out that industry is being centralized at an appalling pace; that the number of workers employed is decreasing, while the output and the manufacturers' profits are advancing with giant strides. Let me quote one brief paragraph from this report.

The outstanding features of the report were the increase in production, the decrease in employment of wage-earners and the increase in horse power.

If we want to know what low wages mean to the countryside I do not know that we can do very much better than take the statement that was made the other day by the member for Hull county in the provincial house at Quebec. He is reported to have said:

The labourers of Hull received only twenty-five cents an hour or $2.50 a day for a ten-hour day, and often lost working time during the year, and most of them had eight, ten or twelve children at home, and very often more. How could he keep them on $400 a year, which was all he had when he had paid his own board and contributed even lightly to the church and good works.

Yesterday when the Prime Minister was speaking about the growing employment in the country, he quoted the Premier of Ontario as refusing to acknowledge that there was unemployment in Ontario. May I say that in my judgment the Prime Minister was hardly fair because he has in his possession a letter recently received from Premier Bracken of my own province of Manitoba, in which that province points out the very serious state of unemployment, and asks the federal government to assist in giving relief. In a memorandum presented on December 14th by the committee on unemployment, of the provincial house of Manitoba, these statements are made:

In 1927, during the first seven days of December, 708 men registered for work at the employment office, as compared with 466 during the same period last year. There is also an increase in the number applying to the social welfare commission of Winnipeg for unemployment relief, the total number registered for relief to December 7, 1927, being 108 families as compared with less than half that number last year. Employment office officials estimate that there are 1,000 men available for immediate employment if work was available, and that this number is being added to daily through the fact that many men are coming to Winnipeg hoping to find employment in the Flin Flon development work.

Again:

The control of the immigration stream is in federal hands, and it would seem reasonable to demand that at least a share of the cost of relief made necessary by unemployment caused by immigration should be paid by the Dominion government.

We are told that there is a "substantial increase in the number of British immigrants." I should like to read quite a typical paragraph with regard to the British immigrant:

With neither employment nor money and only a few threadbare clothes to keep out the biting blasts and sub-zero temperatures, Stanley Hornsby, a young lad giving his address as "the old country", appeared in St. Boniface police court this morning charged with vagrancy, and pleaded with the magistrate to send him to jail.

That was on December 15th, the day after the provincial committee had reported on the question of unemployment, and it indicates how serious a matter unemployment is in the lives of our citizens.

On the other hand, the speech from the throne calls attention to the prosperity of certain classes. It mentions "increased railway receipts". In that connection I note that a few months ago there appeared the following item in our daily papers:

The directors of the Canadian Pacific Railway to-day decided to issue an offer to shareholders of record August 19th, on the basis of one share to eight of their respective holdings, $32,500,000 of ordinary capital stock at $150 per share.

And I read the following comment from one of our labour papers:

The only explanation which will fit all the facts is that the Canadian Pacific Railway increases its capitalization by one-eighth to enable themselves to divide up the accumulated surplus profits and to prevent the surplus profits "piling" up in future years as an accusation of extortion and an argument for reduced transportation rates—and in the meantime the Dominion railway commission putters with little details such as railway crossings.

Lest that should be thought to be merely an extreme statement by a radical labour paper, perhaps I might quote from a letter that I received from a very good Liberal friend of mine, a Winnipeg lawyer, with regard to this very practice. He says:

There should be no cutting of melons in public utility corporations, and every such utility should be compelled to sell new stock on the open market for the best price that it will bring and the financiers of the utility therefore receive the full benefit of a sale of new stock.

I wonder why the government cannot put on the statute books legislation which will carry out the idea behind that quotation.

The speech tells us that there is to be the establishment of "more favourable trade relations between Canada and certain foreign countries." I hope the government will take the very earliest opportunity of informing the house why it broke off relations with Russia. There are no charges of improper activities on the part of the Soviet representatives in Canada. In a statement to the press the

Prime Minister explicitly repudiated any such thing. Let me quote a comment from the Manchester Guardian on the action of the British government in severing relations with Russia:

> Can British trade benefit? Quite the contrary. Will Europe in general be the more tranquil for this widening of the chasm between Great Britain and Russia? Obviously not.

Again:

> It is questionable whether we or Russia suffered more from the wars of intervention after the armistice. If we are now to attempt in the economic field what we could not achieve by force of arms, the consequences are likely to be equally costly to ourselves, to Russia, and to the peace of Europe.

Why, I ask, should the Liberal government in Canada be tied to the apron strings of the Conservative party of Great Britain?

I see the Minister of Railways and Canals (Mr. Dunning) in his seat. I should like to offer him a suggestion with regard to the Hudson Bay railway and incidentally may I say that I think he is to be commended on his promptness in securing competent authority to make investigations with regard to the terminal of that railway. Amongst our most highly respected immigrants in western Canada are the Icelandic people, who came to this country over fifty years ago. Some of us perhaps fail to remember that their claim to be the real discoverers of America when Leif Ericson crossed the Atlantic is really fairly well substantiated. Two years from now the Icelandic people propose to celebrate the one-thousandth anniversary of parliamentary institutions along modern lines in Iceland. Large numbers of them are then returning to participate in those celebrations. I would like to suggest to the minister that, if for nothing more than a matter of publicity, he should offer to send a party of these people to Iceland on one of the merchant marine vessels via Fort Churchill. As they say in the press, that would certainly put Fort Churchill on the map.

We are informed that the government is "continuing negotiations with the prairie provinces for the return of their natural resources." I cannot say that that is exactly news. In fact, I am afraid if the negotiations go on for any great length of time longer there will be nothing left to return. Seriously, it seems to me that we are in danger of giving away our great natural resources of the north country, and I hope that at a convenient opportunity the government will tell the house just why it is that the Whitney syndicate is to be allowed to pay no royalties for a period of twenty years. I notice that the Canadian Mining Reporter, speaking with regard to this matter, publishes the following:

> The thing is wrong in principle. It is not because the Flin Flon deal is being made with foreign interests. It would stink just as badly if purely Canadian financial interests were being handed such a gift on a platter. What we object to is the giving away of our Canadian heritage by our government to anybody.

Here we really enter upon the wider question of the control of the natural resources. In that same northern district we have the White Mud falls. In my judgment the control of the powers of the White Mud falls is just about as important a question as that which was brought up last year in regard to the Georgian bay canal scheme. Why are these powers so recklessly alienated? I came across an article the other day in the Nation's Business for October, headed "Why our factories cross the border." The writer is Mr. Floyd S. Chambers, editor of the Financial Post, Toronto. He referred to the 1,400 American branch factories located in Canada and went on to speak of the United States having three billion one hundred thousand dollars invested in Canada, representing a mortgage of twelve per cent on the total national wealth of the country. If already twelve per cent of our national wealth is mortgaged to the United States, I submit it may not be so very long before we realize the evil consequences of the get-rich-quick policy that has characterized some of our business men of to-day.

At the last annual meeting of the Canadian Manufacturers' Association, Mr. Cyril T. Young, in an address on Canada's Resources, exhibited a large map of Canada decorated with the union jack. He exclaimed dramatically "Long may the union jack flutter and wave," and of course there was applause. That sounds well, but I would call attention to the very rapid acquisition of our resources by Americans. Pulpwood, mining, oil, water-powers are passing under foreign control. Some day, if the house will permit it, I should like to exhibit in this chamber a spot map on which the American controlled industries would be marked with the stars and stripes. If that were done in respect to all of the country there would hardly be room to place the union jack, much less a Canadian flag, if we had one. Do not let us deceive ourselves by saying that because we live north of the forty-ninth parallel we control things here. Economic control and economic considerations are more important than political control or geographical considerations. Last summer I spent a month in a mining town in the mountains. When I was having supper

one evening in a miner's house a whistle blew. I think it was three blasts that signalled across the valley, and the miner remarked: "That means no work to-morrow." He had no option. And who was it who told him he should not work to-morrow? The company, of course—an American company with the stock owned in Pennsylvania and the board of directors sitting in the city of Philadelphia. My hon. friends around about me from Alberta are very anxious that we should adopt a policy of buying and consuming Canadian coal.

Mr. GARLAND (Bow River): Hear, hear.

Mr. WOODSWORTH: And I say to my hon. friend from Bow River (Mr. Garland) who says "hear, hear," let us examine the matter closely. When I do so I find it impossible to get up any great enthusiasm over buying coal mined in Alberta if the dividends go into the pockets of the men who are controlling the mines in Pennsylvania.

Mr. BOURASSA: Hear, hear.

Mr. GARLAND (Bow River): Hear, hear.

Mr. WOODSWORTH: That is a matter that will have to be considered in the days to come. The leader of the opposition warns us against "selling our estate." I agree with him, but I would ask him, can we look to him to deliver us from the control of those big corporations so very largely American in character? I appreciate the sentiments uttered by the leader of the opposition at the Conservative convention and also at the opening of parliament. I give him credit for having resigned from his dictatorship—

Some hon. MEMBERS: Oh, oh.

Mr. WOODSWORTH: His directorship.

An hon. MEMBER: Leave it the other way.

Mr. WOODSWORTH: Little slips are sometimes not so serious after all. I recall that the leader of opposition has been a director of the Canadian General Electric Company, which is, I am told, controlled by the General Electric Company of the United States; of the Royal Bank of Canada; of the Metropolitan Life Insurance Company, an American concern; of the Canadian International Paper Company, which I am told is a subsidiary of the International Paper Company of the United States, and according to an American publication, The Trend of the Market, controls the newly formed Canadian Hydro-Electric Corporation. The leader of the opposition was also director of the Imperial Oil Company, closely allied to the Standard Oil Interests, and, of course, as we all know, for many years he was the legal adviser of the Canadian Pacific railway. I am very glad that he has resigned his directorates on these corporations, but since he is very fond of quoting scripture at times, I cannot but recall for his benefit one scriptural passage which runs:

> Can the Ethiopian change his skin or the leopard his spots?

I hesitate to complete the quotation, but it proceeds:

> Then may ye also do good, that are accustomed to do evil.

Before the election, I was interested in reading some of the guesses that were being made as to the Conservative leadership. In MacLean's Magazine, August 15th, there was an article headed, "Who's the Tory Moses?" The article says:

> Still it seems a pretty safe bet that Cahan will be proposed by powers which operate usually in St. James street, Montreal. A leader from Quebec must be suggested, if only to make impressive the apparent transfer of support to some other man.

Further on the article says:

> It is a fair guess that, whatever is behind Cahan will go to Bennett at the appropriate moment.

Mr. BENNETT: It did not happen that way.

Mr. WOODSWORTH: Since there has been so little legislation forecast in the speech I should like to suggest some measures that it seems to us ought to have been included. Perhaps the house hardly recognizes very clearly what are Canada's obligations under the labour section of the Peace treaty and the Washington conventions. I hold in my hand a very interesting memorandum issued by the Labour department showing the extent to which our obligations are met by existing legislation. This is rather a naive document. I should like to give a few illustrative extracts. Reference is made to the eight-hour day and forty-eight-hour week, with this comment:

> Legislative jurisdiction is primarily vested in the provinces.

And so with a number of other provisions. Reference is made to persons engaged in work for the Dominion government. Here we have Canada's own admitted responsibility. The memorandum merely says:

> The convention is partly met.

There is a clause with regard to mutual arrangements among members who have established systems of unemployment insurance. The memorandum says:

This has no application to Canada, as no system of insurance against unemployment has been established in this country.

A very easy way of getting out of it. Then there is a clause with regard to the prohibition of night work for women. This is delightful:

The provincial statutes vary in the length of the night period during which this class of employment is forbidden.

An hon. MEMBER: What class of unemployment is that?

Mr. WOODSWORTH: Night work for women. Again, reference is made to weekly rest in industrial undertakings. At last we have reached what is clearly federal jurisdiction. This is admitted, "as it involves jurisdiction relating to the criminal law." But what does the memorandum say?

It is met by the provisions of the Lord's Day Act.

Well, Mr. Speaker, in the language of the street, I would say, "it is to laugh"! Can we forget that there are large groups of labour in this country still working twelve hours a day and while there is a rest day once a fortnight it is earned by continuous work for twenty-four hours? Yet we are told that these clauses, part of a solemn treaty, are being met by the Lord's Day Act—yes, I was almost making another slip and saying, the Lord's Day Alliance Act.

Then there is a clause for the prohibition of the use of white lead in painting. This the memorandum says is:

Within provincial jurisdiction. . . no laws.

I would ask, why should not this come under the criminal code? If white lead poisoning is inimical to human welfare, even to human life, why should not its use in painting be made a crime in this country, as I understand it has been elsewhere? Again, there is a clause dealing with workmen's compensation and equality of treatment for national and foreign workers. Just listen to what the memorandum says in relation to this:

The practice varies in different provinces. . . in Ontario and Manitoba residents of countries which were enemies in the Great war are not entitled to compensation.

And this, notwithstanding the fact that we entered into the most solemn obligations with enemy countries.

Mr. GARLAND (Bow River): Who says all this? We missed the origin of this.

Mr. WOODSWORTH: I thought I made it clear that these clauses are included in the Peace treaty of Versailles, and that I am quoting from a memorandum issued by the Department of Labour of the federal government, showing how far we have legislation covering these points in the treaty.

There is provision in the Versailles treaty for compulsory sickness insurance. The memorandum of our Department of Labour says frankly:

There is no legislation on this subject in Canada.

In that connection may I say that my colleague from North Winnipeg (Mr. Heaps) is asking the house this session at least to go so far as to appoint a committee to consider this matter and see what can be done in the premises. As to unemployment insurance for seamen, the memorandum simply has to say:

No legislation.

Then, "prevention of unemployment in agriculture." Why, I would have thought this had something to do with the protection of harvesters. Is that the case? Not at all, for all the memorandum tells us on this head is that we have:

Provincial and private land settlement.

What a joke! Mr. Bryce M. Stewart in a recent book dealing with these Canadian labour laws and the treaty says:

In the matter of actual ratification Canada stands in the lower ranks despite her rating as one of the foremost agricultural and the sixth industrial country in the League of Nations. While certain provinces have recognized some of the conventions in legislation, and indeed have surpassed them in some instances, no single province has taken action on all the proposals, nor have all the provinces recognized any one.

Of course, division of powers between the Dominion and the provinces is pleaded as an excuse but, sir, let me give you a quotation which occurs in an entirely different connection. The Royal Securities Corporation condemns the inaction of the United States federal government with regard to the diversion of water at Chicago, which it characterizes as:

A flagrant violation of principles recognized by the law of nations and founded on abstract justice.

I would suggest that the following judgment pronounced on the United States with regard to water diversion applies with equal force to Canada in this matter of the ratification of the labour clauses of the treaty of Versailles:

The prolonged incapacity of the United States federal government to deal with this—

Water diversion.

—is a significant measure of its weakness and a warning to those who would rely upon its treaty undertakings if they happen to conflict with the interests of individual states.

Have we no sense of honour in Canada that we could enter into these most solemn obligations, which apparently there has been practically no effort made to have implemented?

Mr. BOURASSA: Will my hon. friend allow me? Does he take into account the declaration that was made by one of the signatories to the treaty, that one hour before they signed it they had never seen it?

Mr. GARLAND (Bow River): Would it have made any difference?

Mr. WOODSWORTH: I do not know whether it would have made any difference or not.

Mr. BOURASSA: Well, it might have as far as the moral engagement is concerned.

Mr. WOODSWORTH: I think the hon. member for Labelle will agree that we have certain responsibilities, and that if a nation undertakes to sign a treaty there is surely some obligation on its part to see that that treaty is lived up to.

Mr. GARLAND (Bow River): But is it not true that non-repudiation during the many years which have since elapsed would fully meet the question of the hon. member for Labelle?

Mr. WOODSWORTH: Possibly. I was very glad to see that the Conservative convention at Winnipeg pledged itself to carrying out the treaty. I cannot see where the difficulty lies. The Prime Minister has written a book on Industry and Humanity. He is in favour of carrying out these obligations, the Conservatives are in favour; then why cannot we have the treaty carried out in its entirety?

I should like to have had time to call attention to other classes of social legislation which are long overdue. For example, the Old Age Pensions Act which was passed in this house last session gave pensions to certain classes of people of seventy years and over. I would point out that the railway companies are dismissing men at the age of sixty-five. It seems to me that if men are being turned off at that age, provision ought to be made for taking care of them before they reach the age of seventy.

And may I point out that a resolution of this house was passed some years ago by which prisoners in our penitentiaries were to be paid for their work, and in the case of married men the money was to be turned over to their families. So far as I have been able to learn, the Department of Justice has not proceeded to act on that resolution; in fact we have the rather anomalous situation of the superintendent of penitentiaries begging that some action be taken along this line. He is reported:

> To keep men in enforced idleness is not only most inhuman, but in one institution in a foreign country where it has been tried over thirteen per cent of the unfortunate inmates were driven insane in one year.

In regard to the Dominion of Canada he says:

> Only one-tenth of the work possible to be done is being done. The government spends many thousands of dollars yearly for furniture, furnishing and equipment of various kinds, a portion of which could easily be made in the penitentiaries.

It does seem to me that when we have gone to the trouble for two years in succession of debating this question on the floor of the house, and have definitely passed a resolution, the matter ought not to be disregarded in this way.

Mr. BOURASSA: My hon. friend must remember that many of the labour organizations have unfortunately, for many years past, adopted resolutions petitioning the government against any sort of labour being carried on in penitentiaries. We have that situation to meet.

Mr. WOODSWORTH: Yes, but I would point out that the object has been merely to ensure that prison labour shall not come into competition with free labour. I may say that labour is quite content to have our prisoners do many types of work that could be done in prison, work which is needed in this country.

Now, Mr. Speaker, like other hon. members I have been keeping my eye on my watch and I see that the time allotted to me is nearly up. I should have liked to discuss the larger questions in which we are becoming more and more related to international affairs, but unfortunately I cannot do so in the time at my disposal. I content myself at this juncture with directing the attention of the house to a resolution which is being placed on the order paper by my colleague from East Calgary (Mr. Adshead), to the effect that:

> —the government of Canada should discuss with the government of Great Britain the desirability of Canada accepting article 36 of the statutes of the Permanent Court of International Justice providing for compulsory arbitration in international disputes.

With the feeling that is developing in some parts of the United States against Great Britain and the feeling which is developing in some parts of Great Britain against the United States—a feeling which is being voiced perhaps by rather irresponsible individuals, but which is nevertheless a reality that must

be reckoned with—I do not think that the present situation should be allowed to go unchecked. I fancy that some statement on the part of Canada looking to a better understanding in world affairs and a frank acceptance of the principle of arbitration would go a long way towards safeguarding the international situation.

Hon. HUGH GUTHRIE (South Wellington): I rise to make a few observations in what is a more or less formal debate in this house, particularly so when nothing in the nature of an amendment to the address has been moved. One has only to read the address which His Excellency the Governor General delivered to parliament to realize that it is more in the nature of political propaganda than of a serious parliamentary document. The theory of the speech from the throne is that His Excellency shall give to parliament the reason or reasons for its being convened, and it is quite proper in that speech to mention anything of national or international concern which has taken place since prorogation. I submit however that in the present instance the Prime Minister (Mr. Mackenzie King), who is himself responsible for every word which is in that speech, has gone beyond all reason in his attempt to pat himself and his government upon the back in almost every clause of that document. We on this side of the house have no objection to his proclaiming in proper terms the prosperity which the country undoubtedly enjoys at the present time. But the object of the Prime Minister in so doing is to claim credit for himself and his government, while we on this side of the house are inclined to give the credit for the present happy condition to the vigour, to the intelligence and to the adaptability of the people of Canada. Clause after clause of the speech from the throne is merely a chronicle of last year's events, something which the members of the house all know, something which does not need to be repeated and which is entirely out of place in a state document of this kind. I do not wonder that one of the leading newspapers of this city has seen fit to call attention editorially to this remarkable document.

Now there are one or two suggestions in the speech from the throne to the effect that we are to have some legislation. We are advised that two of the departments of the government are to be amalgamated. It is proper to place that in the speech; that is contemplated legislation. It is suggested that some measure will be introduced in regard to scientific research: that too is properly placed in the speech. And I believe that one other measure is contemplated in regard to new trade agreements. But the rest of the speech consists in an attempt to display before the country the activities or inactivities of the ministers who preside over the various departments of this government. It is solemnly stated in the speech from the throne that the government is considering the question of returning their natural resources to the three prairie provinces—something the government has been considering since 1922 or 1923. It is solemnly stated also that ministers are considering the question of returning railway belt lands to the province of British Columbia—something they have been considering for two or three years past. Who cares what amount of consideration they give these matters? What we ask for and what we expect is action in respect of them. There is no intimation of any action, and I suppose we may take it for granted that these ministers will simply continue their consideration of these important and pressing questions; and next year when this parliament is convened I for one should not be surprised if these matters were then still under consideration by the government.

However, we must take the program as it is. The debate on the address has wandered rather widely from the text of the address itself, and I intend only to dwell upon one or two matters which have been raised in the discussion. One of these matters, to my mind a most important matter, is the question of the Dominion finances. That question was raised purposely by my hon. friend the leader of the opposition (Mr. Bennett) with the object of drawing definitely to the attention of the government and of the Minister of Finance the absolute necessity of taking at once, at this session of the house, some definite action towards the retirement ultimately of the public debt of this country. This matter was raised in the house last session in a very able and well considered speech by my hon. friend from Toronto East Centre (Mr. Matthews). We raise it again now at the opening of the session and, in so far as an opposition is able to insist and demand, we propose to insist and we propose to demand that the government formulate some definite scheme whereby the debt of the Dominion of Canada may be retired within a reasonable number of years.

The Minister of Finance (Mr. Robb) has in his possession all necessary data in regard to that question. Financial authorities throughout Canada have discussed it, and have reported upon it. It is not a very

difficult matter to deal with, and if the Finance minister will display some courage in the matter he can evolve a scheme whereby the debt of Canada can be paid within forty or fifty years at most without causing any inconvenience or any disruption of a serious kind to the finances of Canada. The province of Ontario has adopted a scheme. Five or six years ago when the present government took office in that province it was confronted with a very serious financial situation. Something had to be done. Experts were called in. Proposals were made; a plan was evolved, and to-day we find that that government is annually setting apart a sufficient sum of money to retire the whole indebtedness of the province, I think within thirty years, and so far no inconvenience has been found in carrying out that scheme. I submit that a similar course should be adopted in this house. We draw the matter as forcibly as we can to the attention of the government, and so far as an opposition has any power to do so, we demand and we insist that some action be taken at the present session towards the retirement of the public debt.

One has only to examine the public accounts and financial statements made by the Prime Minister and from time to time by the Minister of Finance to conclude that the situation in regard to the debt of this country is not dealt with as satisfactorily as it should be. We hear statements from time to time on the platform and in this house that tremendous amounts have been paid off on this, that, or the other occasion. Newspapers give great prominence to statements of that kind, and we are all inclined to rejoice when we hear that the public debt has actually been reduced by large amounts. But when one sits down to examine the public accounts one is not as well satisfied with the results. Is it known in Canada that the actual funded debt of the country, the amount of money which we have to pay to creditors, for which we have given the bonds of this country signed, sealed and delivered by the Finance minister, is twenty odd millions higher to-day than it was when the King government took power? I make the statement from the Canada Gazette of December 31 last, and the statement is correct. The funded debt of Canada, for which creditors hold our bonds, was on the first day of this year $2,442,228,000, twenty-two millions more than it was when this government assumed office. The Prime Minister yesterday, in discussing the finances of Canada, announced amidst the applause of his supporters that in 1925-26 we had redeemed the bonds of Canada in cash to the extent of $20,000,000; in 1926-27, $43,000,000; in 1927-28, $29,000,000, $8,000,000 and $18,000,000, making a total retirement of $118,000,000 in the funded debt of the dominion, and at the same time on the 31st December last we find that we have twenty odd millions more funded debt than we had when this government came into power.

Now here is the situation: In 1921, when this government came into office, the system followed in the Finance department in respect to the national railways was that when we met with a loss we went to the treasury and paid it, and we charged it to the national debt. For the two years following the defeat of the Meighen government in 1921, Mr. Fielding, the then Finance minister, did precisely the same thing; when he had a railway payment to make and deficits to meet he went to the treasury, paid them in cash, and charged them to the debt of Canada. But when Mr. Fielding passed out and another gentleman became Finance minister a new scheme was evolved, and I do not say a bad scheme. It was decided that thereafter all outlays and deficits in respect to the national railways should be charged to the railways and not to the national debt of Canada, and instead of coming forward in 1923, 1924 and 1925 with deficits, as there had been in years previously, the government were able to come forward with surpluses, as the public accounts show, because they charged up railway defaults not to the national debt but to special railway account. How did they raise the money for the railroads, you ask? In former days it was raised on the bonds of Canada and charged to the debt of Canada. But under the new regime they raised railroad money on the bonds of the railway companies, and instead of signing the face of the bonds the Finance minister endorsed the back of them, guaranteed their payment, and allowed them to be charged against the Canadian National railways. That is the way he works out his annual surplus. What about the sixty-five millions of bonds that were issued by the railways last year and guaranteed by the Dominion of Canada, far more than they retired? In former times, and under Mr. Fielding's administration in the Finance department, those bonds would have been charged to the national debt, but under the new system of bookkeeping they are charged to the Canadian National railways. The country is the guarantor and the country will ultimately have to pay the bonds.

Now passing to another aspect of the matter. These claims of reduction in the national debt puzzle me. They always have puzzled me,

but I have been more puzzled in the last two years since I have studied the budget speeches of the present Minister of Finance. The trouble is that his budget speeches do not jibe with the public accounts. Which shall we accept? I am accepting to-night the public accounts of Canada, and I turn to the 31st of March, 1922—I am pretty generous; I am going back three months after this government came into power—the net public debt of Canada was $2,422,000,000. On the 31st of December last I find that according to the Canada Gazette the net debt of Canada amounted to $2,281,000,000, or an apparent reduction of $141,000,000 in five years. But that is not the whole story. That is not a correct statement. It may be correct on its face, but on examination it will not stand. In the first place, in 1922 we had an issue out of $241,000,000 of Dominion notes, which are the medium of exchange whereby trade in this country is carried on; they constitute debt so long as they are outstanding. On the 31st of December last Dominion notes outstanding stood at only $193,000,000; Dominion notes to the amount of $48,000,000 had been called in and destroyed. When they call them in I think the term they use is that they "cremate" them; they burn them and get rid of their debt in that way. There were $48,000,000 more of Dominion notes current in 1922, and that $48,000,000 should be taken off the debt reduction, leaving, as I understand the matter, the net reduction at $93,000,000 instead of $141,000,000, and that after nearly six years' operation by the government in power to-day, and the whole amount of $93,000,000 of reduction is due to the improvement in Canadian National Railways returns.

I must take issue with the Prime Minister on another point. In his speech of yesterday and to-day he made a bold claim in regard to the question of reduction of taxation. I cannot agree with him in the statements he has made, and I am trying to make my statement from the public accounts of Canada laid before parliament by this government. I state that the taxes collected from the Canadian people during the past five years are far greater than those collected during the previous five years by their predecessors. What counts in the matter of taxation? It is the burden upon the people; that is the only test. When I hear the Prime Minister, or the Minister of Finance as he certainly spoke in the campaign in North Huron, making claims that certain taxes have been reduced I must express my amazement. Why is this government not candid enough to say: The taxes we have taken off are the taxes we have put on? They maintain that they have taken off the stamp tax on cheques. That tax was only two cents a cheque when they took office and they promptly increased it to two dollars a cheque as a maximum. Last year they cut it down to two cents on cheques for over ten dollars. The increase was made by the present government, and tardily and after much persuasion from this side of the house they saw fit last session to take off the increase and put the tax where it was when they took power.

They made claim on the platform at Goderich that they had taken off the stamp tax on receipts. Who put it on? It should never have been put on in the first place. It was put on against the protest of those who sit in the opposition in this chamber. Last year, after much persuasion from the opposition, they reluctantly removed it and they claim that as an achievement.

Do hon. members recollect the statement made in this house yesterday by the Prime Minister in regard to the sales tax? Why, he said, they had reduced it twenty per cent. Twenty per cent sounds pretty well, but what are the facts? When the present government came into power there was a war measure sales tax in this country imposed to meet the awful expense of the war, a temporary measure. What did it amount to? It amounted to one and one-half per cent on the manufacturer, one and one-half per cent on the jobber, or three per cent all told. That was the tax when this government took power in 1921, but they were hardly in office before they started raising taxes. During the first session they raised the sales tax to five per cent instead of three per cent and the following session they raised it to six per cent. Then they found it was so high that it actually interfered with the trade and commerce of the country and they cut it down to five per cent. With a great sound of trumpets and much applause last session a reluctant minister of finance said: "I will take one per cent off," and one per cent off five per cent is the twenty per cent reduction to which the Prime Minister referred yesterday. The sales tax with this one per cent reduction now stands at four per cent, but when this government came into power the tax stood at three per cent; and yet they have the audacity in this house and on the platform to claim a reduction in taxation in connection with the sales tax. Why did they not take the advice of the opposition last year? We endeavoured to plead with them to remove this sales tax altogether, and to-day and during this session, if it is in the power of an opposition to insist or demand

we are going to insist and demand that the sales tax be removed altogether. We went so far last year as to divide the house on the question; we moved in the house that at least the sales tax be taken off wearing apparel and boots and shoes. Do you think, sir, the government would do that? No; every hon. member on the government side voted down that motion and every hon. member on the opposition side supported it. The sales tax stands at four per cent to-day—and what was the excuse of the Minister of Finance? "Oh," he said, "if you abolish it, it will practically ruin the retail merchants in this country."

Mr. ROBB: Hear, hear.

Mr. GUTHRIE: If the Minister of Finance had a little more courage on this and on other subjects it would be better for the Dominion of Canada and the trade of Canada. What my hon. friend lacks is courage. He is content to sit at his ease and allow the Department of Finance practically to run itself. A little courage is necessary in that important department, and if he will take the courageous course and in his budget will wipe out that iniquitous sales tax he will have not only the support of the members of this house but the approval of ninety per cent of the people of the Dominion of Canada.

Mr. ROBB: If I did that I would have to come back, or another government later would have to come back, and pay the automobile people as we paid them for remissions made by Sir Thomas White.

Mr. GUTHRIE: I am afraid my hon. friend sees lions in the path. Let him have courage and he can do this. What about the burden of taxation in this country? This claim of reduction of taxes is so absurd, so unfounded, that it must be exposed.

I take the taxes collected from the people of Canada for the last five years. I take the customs tariff tax. I know that it is not admitted on all hands that that is a tax, but for the purpose of my statement I am going to include that as one of the taxes.

Mr. ROBB: Does my hon. friend claim that it is a tax?

Mr. GUTHRIE: I did not express any opinion. I say I am including it in this calculation, and I am including also the sales tax, the stamp tax, the income tax, and all the other burdens which this government has imposed on the people of Canada. I take all those taxes imposed over a period of five years. I cannot bring my figures up to December 31st last; I have to take the return laid before the house on March 31st last, and what do I find? For the five years from 1922 up to the 31st of March, 1927, the average amount of taxation taken annually from the people by this government was $387,780,000. I take the five preceding years. I add together the same taxes, and I find that during that period the annual average amount of taxation collected was $348,500,000, or $39,280,000 less per annum than the average amount taken by the present government from the people of this country during the last five years.

Now how does that work out in the way of a burden upon the shoulders of the people of Canada? We can only take an estimate of the population, and the best one I can get is the one which was given to this house last session by the Minister of Trade and Commerce (Mr. Malcolm)—evidently a carefully worked out figure; he estimated our population on the first of March last to be 9,390,000. On the basis of that estimate I find that the burden of taxation under this government is $4.18 per capita, or for a family of five, $20.90, more than it was during the five years preceding the advent to power of the present government. In the face of those figures, which are taken from the blue books prepared by this government, is it fair for the government to claim that there has been reduction of taxation? I have given you the taxation which the average individual in this country pays; I have given you the taxation which the average family of five in this country pays; I have taken the government's own figures, and their own estimate of population——

Mr. ROBB: But my hon. friend has conveniently forgotten the debt which he himself ran up as a minister of the government from 1915 to 1921.

Mr. GUTHRIE: I discussed the debt question before I entered upon this phase. I realize that the debt in those years did increase, and increase enormously. I realize that the after-war debt was as serious almost as the debt which had to be piled on year by year during the war, and I am glad to say that during those war years and after the war we had an administration and a minister of finance who did not lack in courage.

I have given the house these figures taken from the government's own blue books. They can be checked up; if I am wrong I want to be put right, but I am satisfied that I am not wrong in the statement I have given. In the face of those figures, let me ask hon. members

opposite to be careful when they make platform statements about reductions of taxation by the present government. I think a little care should be exercised by my right hon. friend the Prime Minister and by the Minister of Finance when they discuss either in this house or on the public platforms the question of debt retirement, when we know full well from the public accounts that the actual bonded debt which we owe to creditors is greater to-day by $20,000,000 odd than it was when this government took office.

Let me advert to one other matter which has been discussed to-day, although it does not arise very directly out of the speech from the throne. It is a question which was the subject of a good deal of discussion in this country and in this house about a year ago arising out of the report of the Imperial conference of 1926. The discussion which has taken place in this chamber during the last day or two as to whether we had or did not have equality of status with the motherland and the other dominions recalls very vividly the debates which took place in this chamber last session. I do not know that the matter has been very much advanced in the interval. I am inclined to be well satisfied with the statement of the Prime Minister of Great Britain made in these buildings last August, when he stated in the presence of my right hon. friend the Prime Minister that so far as Canada was concerned, no limitation had been imposed upon the powers which she enjoyed, and nothing new had been added. That was a very satisfactory statement, as well as a very brief one, and carried out my own understanding of that document which we call the report of the Imperial conference of 1926. But the point which my hon. friend and leader sought to emphasize was merely this: The Prime Minister and his ministers are inclined at all times to state that that equality of status, to which I think we all look forward with a good deal of satisfaction, exists at the present time. As my hon. friend from St. Lawrence-St. George (Mr. Cahan) said to-day, that it is an ideal not yet attained; I believe that is a correct statement of the situation, and until a committee of experts shall report upon some method or plan whereby certain imperial acts may be either repealed or abrogated or otherwise rendered non-effective, equality of status cannot be attained. I am not dissatisfied with the present situation in any respect; I am perfectly satisfied with it, but in my own view there is another question, and a very important one, which can never be resolved in favour of equality of status. I doubt if actual equality as between the motherland and the dominions can ever be achieved. Where the force is, where the might is, where the power is, there is going to be the actual source, the real head of the state.

Mr. CAHAN: Would you call that "functioning"?

Mr. GUTHRIE: It may be a "function", as my hon. friend suggests. I had that thought in mind when my right hon. friend read that particular clause in the report to-day. The question in my mind is this: On that great question of war and peace can we ever have equality of status? Shall we ever be in a position by any act of ours to declare war or to make peace on our own account? Can we by any act of ours involve the motherland, the other dominions and the empire in a war? No, we cannot. Can the mother country? Certainly. A declaration of war by the motherland involves this and every other dominion instanter, and it may be entirely against our will and against our desire. We may desire to avoid it, to dissociate ourselves from it entirely. That will not help us. Our land will be liable to attack, our commerce liable to be seized or destroyed, and our citizens to be taken as prisoners of war without any act of ours. Under circumstances of that kind can you have actual equality? I do not know that anybody ever desired such a thing. I for one do not. I am absolutely satisfied with the position we have attained to-day, and I do not believe that in our generation, or in the generation to follow us, Canada can ever reach that plane of absolute equality, which is proclaimed in newspapers and political platforms, a position which we do not enjoy and which I do not believe we ever shall enjoy.

Mr. ADSHEAD: Does my hon. friend express the view that Canada will always be in such a position that we shall have no voice in regard to war?

Mr. GUTHRIE: I did not say that. I said our declaration would not be upon the same basis as the declaration by Great Britain.

Much has been said and suggested in regard to the right, which we do not now enjoy, of amending our own constitution. I confess that I have no very strong opinion upon that matter. I think it might be well if that power were given to this country. It is a

power or a privilege which is now enjoyed by practically all the other self-governing dominions. I do not mean that I would agree that the power to amend our constitution should be given to this parliament alone. I would not agree to that, but the power to amend our constitution should be given to this parliament and to the nine provincial legislatures. However, as the matter stands we suffer from no disadvantages in that respect. I am absolutely satisfied in my own mind, and my opinion has been confirmed by conversations with such men as Mr. Baldwin and others, that at any time when this parliament and the legislatures of the provinces can agree and ask for an amendment to our constitutional act, the British parliament will not hesitate to amend it. First we must agree on what we want, and the moment we do agree and properly present our request to the parliament of Great Britain, it will be granted; so that we suffer to-day from no disadvantage in that respect. Our difficulty is to agree among ourselves. We hope for much from the conference which was held between the Dominion government and the various provincial governments last autumn. We hope there may be some important results from that conference, but I am afraid that they merely agreed to disagree on the main questions which they were called upon to consider. Certainly, so far as I read the report, no agreement was reached upon the question of senate reform, and no agreement seems to have been reached in regard to the question of amendments to the constitution. I have no doubt that interchange of ideas among prominent men is always a matter of advantage, but I do not think that conference got much beyond an exchange of ideas. Nothing concrete seems to have resulted from it—nothing at all events of an important nature. But I maintain, and have always maintained, that we are suffering from no difficulty and no disadvantage whatever by reason of the fact that we have not in this country power to amend our own constitution. I think I would like to see Canada have the power through this parliament and the legislatures of the various provinces. Whether it would be an advantage or not I cannot say, but I believe it is accepted and constitutionally settled in Great Britain that whatever the parliament of Canada, with the consent of the legislatures of the Dominion, should ask in regard to our constitutional act would be engrafted upon the statute.

Mr. CAHAN: That is the principle that governs now.

Mr. GUTHRIE: That is the principle that governs now, and that is the principle that will always obtain. So that I do not feel very much concern myself about it, although the Minister of Justice (Mr. Lapointe) seems pretty strongly wedded to the idea that we should have the right to amend our own constitution. But I know at the same time that many of his compatriots in the province of Quebec, including the Premier of Quebec, take a directly opposite view to that of the Minister of Justice in that respect. They are quite content to abide by the British North America Act as it stands to-day, and that is my own view; I feel quite content to abide by it in the same way.

I do not desire to transgress the new rules, and therefore I resume my seat.

Mr. L. P. BANCROFT (Selkirk): In rising, Mr. Speaker, to take part in this debate, I desire first to congratulate my hon. friend from Hants-Kings (Mr. Ilsley), upon his very excellent speech in moving the address in reply to the speech from the throne. I was particularly interested in his speech, because he comes from my own native county of Hants in which I spent my earlier days, and I think I am voicing the opinion of all members of this house when I say that the people of Kings and Hants have every reason to be proud of their representative in this house.

There is one portion of the speech from the throne which is of particular interest to the people of western Canada, and that is the reference to the return of the natural resources. The statement made by the Prime Minister (Mr. Mackenzie King) this afternoon, in his very excellent address, that the government was prepared to return these natural resources to the prairie provinces and at the same time continue the subsidy at the present amount in lieu of lands which have been alienated, I think is most encouraging to say the least. The negotiations between the government and the province of Manitoba need not be very lengthy. Manitoba wants its resources and is prepared to take them over. If any difficulty arises in making the transfer—and I trust that no difficulty will arise—Manitoba is prepared to meet those difficulties by arbitration. Therefore, Mr. Speaker, with the government ready to return the resources to Manitoba and Manitoba ready and willing to receive them, the transfer should be made forthwith.

There is another paragraph in the speech from the throne in which I was particularly interested, and that is the paragraph concerning the Hudson Bay railway. It reads:

The work of reconditioning that portion of the Hudson Bay railway previously constructed has been finished. After a most careful examination and consideration, and upon the best advice obtainable, Churchill has been selected as the ocean terminus of the Bay route. A contract has been let for the grading and bridging of the railway extension to Churchill and preparations looking to the establishment of the necessary harbour works there are well advanced.

The manner in which the government has tackled the Hudson Bay railway question merits the approval of the people of western Canada. The Minister of Railways (Mr. Dunning) is to be congratulated on his courage in changing the terminus from Port Nelson to Fort Churchill before more money had been spent at the port. The change has met with very general approval from the people of western Canada.

In the course of the very fine speech which the hon. leader of the opposition (Mr. Bennett) made yesterday he stated, or I understood him to state, that the hon. Minister of Railways had changed the terminus from Nelson to Churchill without the authority of parliament. I have taken the trouble to look up the debate in this house last session when the estimate for $5,120,000 was passed for the work. The Minister of Railways had been addressing the house on the work under contemplation, and at page 2151 of Hansard of April 8, 1927 he is reported as follows:

> I only want to emphasize in conclusion that there will be no holdup in the work as a result of the investigation now proceeding, and it is hoped that before the end of this fiscal year we shall be able to make a substantial start on the assembling of materials and machinery necessary for work at the port.
>
> Mr. Guthrie: At what port, may I ask?
>
> Mr. Dunning: I have indicated, Mr. Chairman, that we expect to be guided by the investigation in that regard. We hope that it will be Nelson. It will be Nelson unless it is demonstrated to our satisfaction by the eminent engineer who is investigating it for us that Churchill can be more easily developed into a safer and better port, and that it will be economically advantageous to Canada to use that port instead of the other.
>
> Mr. McGibbon: When do you expect Mr. Palmer's report?
>
> Mr. Dunning: Not later than August.

I submit, Mr. Speaker, that when this house passed the vote after hearing the explanation of policy from the hon. Minister of Railways it gave him sanction to change the terminus if the report indicated that Churchill was the better point.

We used to hear a good deal in this house about Hudson strait. We were told that these straits were frozen up tight for ten months of the year. Investigation carried on by the Minister of Railways by means of daily aeroplane flights, according to press reports, have shown that the straits were open for navigation until December 1 this year. That in itself is something worth while finding out.

Mr. DUNNING: Last year.

Mr. BANCROFT: Yes, I mean 1927. The reference in the speech from the throne to the Hudson Bay railway must mean that the government intends to rush completion of the railway and terminus and that traffic will soon be moving over this route. The completion of the railway will not only bring the prairie provinces closer to Great Britain and the maritime provinces but will mark the beginning of development in northern Canada that should beneficially affect every portion of this Dominion.

I want, Mr. Speaker, to say a word about the fisheries of lake Winnipeg. The constituency of Selkirk which I have the honour to represent takes in all of lake Winnipeg. Lake Winnipeg is one of the great lakes of Canada. It is larger than lake Ontario and almost equal in area to lake Erie. It is 265 miles long north and south, and is connected with Winnipeg by the Red river. There is a large and ever-increasing traffic over this waterway from Winnipeg and Selkirk into the north country. The value of the fish marketed from this lake amounts to more than $1,000,000 each year. The most valuable varieties are whitefish and pickerel. There are no pickerel hatcheries in Manitoba, but I am informed that the government has decided to build a pickerel hatchery on lake Manitoba where pickerel constitutes the chief value of the catch. There were two whitefish hatcheries on lake Winnipeg until four years ago, when the hatchery at the mouth of the Dauphin river was burned. This has not been rebuilt, and the hatchery at Gull harbour is the only artificial means now being employed to prevent depletion of these valuable fisheries. When the Dauphin river hatchery was burned the boilers and pumps were salvaged, so the cost of constructing a new hatchery will not be great. I trust that next summer the government will build a whitefish hatchery at Dauphin river, Berens river or lake St. Martin. The Department of Fisheries knows the need of maintaining the stock of the valuable varieties, whitefish and pickerel.

There is a notice on the order paper standing in the name of the Minister of Agriculture (Mr. Motherwell) of a bill to be introduced by him to amend the Seeds Act. I should like to make a suggestion to the minister before the bill is brought down. At page 11 of the Seeds Act of 1923 there is a clause dealing with

the advisory board to be appointed under the act. This board was constituted as follows, but some changes have been made since:

Chairman: George H. Clark, seed commissioner, Ottawa, Canada. Seed growers, vegetable growers and farmer representatives—
J. C. Mitchell, Dahinda, Sask.
J. T. Mutrie, Vernon, B.C.
Dr. C. A. Zavitz, O.A.C., Guelph, Ont.
Walter J. Cook, Cataraqui, Ont.
Camille Legare, Côte des Neiges, Montreal, Que.
W. H. McGregor, Miscouche, P.E.I.
Canadian seed trade representatives—
Kirby White, D. M. Ferry & Co., Windsor, Ont.
Col. W. H. Bruce, John A. Bruce & Co., Hamilton, Ont.
E. F. Crossland, Steele Briggs Seed Co., Toronto, Ont.
Wm. Ewing, Wm. Ewing Co., Ltd., Montreal, Que.
A. E. McKenzie, A. E. McKenzie Co., Ltd., Brandon, Man.
Hector L. Déry, Montreal, Que.
Representative of the Agricultural Committee of the House of Commons—
W. F. Kay, M.P., Phillipsburg, Que.

Now, apart from the chairman, Mr. Clark, who can be depended upon to do his best for all parts of Canada, the provinces are represented on this board as follows: one from the maritimes, four from Quebec, five from Ontario, two from the three prairie provinces and one from British Columbia. Owing to the volume of seed used annually in the prairie provinces, and the value of pure seed in increasing production, and because of the great interest taken by prairie farmers in the production of pure seed and its sale along cooperative lines, I believe there should be a representative on this board from each of the prairie provinces. The enormous development of the production of cereals in western Canada justifies this demand. I would also suggest to the minister that appointments be made for three years instead of one as at present, because a man cannot give his best service to the board the first year of his appointment. I submit these proposals to the hon. Minister of Agriculture for his consideration.

There is another matter I want to speak to briefly, and that is the embargo on the export of pulpwood cut on crown lands. Pulpwood cut on patented lands can be sold wherever the owner can get the most for it; pulpwood cut on crown lands is prohibited from export. The embargo gives the Canadian mills a monopoly on the pulpwood cut on crown lands; the result is that we have two prices paid to the settlers for pulpwood in the northern part of my constituency. The prices for hand peeled pulpwood this winter at Arborg, Hodgson and Fisher Branch have been, from crown lands, $8.25 per cord, and from patented lands $11 per cord. Earlier in the winter I wrote the Minister of the Interior (Mr. Stewart), pointing out the unfair advantage which is being taken of the settlers because of this restriction and asking that the embargo be lifted for the year 1928. These settlers had their crops drowned out by the excessive rains of the spring and early summer of 1927 and are depending on the pulpwood for their winter's living and for seed and feed for next spring. The domestic price allows them very little for their labour after the deductions have been made; I refer here to deductions for stumpage, loading, profits and waste.

Two reasons are advanced against lifting the embargo; first, fear that our forests may be depleted by United States mills and, secondly, that our Canadian mills should be assisted in every way possible. I do not wish to be misunderstood in this matter. I want to see our forests conserved; I think that we should embark on a vigorous policy of conservation and reforestation. We should prevent ruthless cutting and should fight the fire menace and insect pests even more strenuously than we do now. But the embargo on the export of pulpwood from crown lands does not conserve our forests. The department has full control of the amount cut on the crown lands each year. Where settlers are depending on this for a living the tendency is to cut more cords when the price is low.

I should like to see all our pulpwood manufactured in Canada, but not at the expense of the settler. If Canadian mills need assistance to become established, surely some plan can be devised whereby all the people will bear the burden. These settlers are themselves establishing a very important industry; they are hewing farms out of the woods. In asking for the removal of this embargo they are asking for the right to sell their products in the best market, a right that is not denied the pulp and paper manufacturers and, in my opinion, should not be denied any Canadian citizen.

There is another matter to which I wish to refer for a moment and that is the sale of binder twine in Canada, which is regulated by the Inspection and Sale Act. I am going to suggest to the government that this act be amended so as to cut down the leeway allowed on the length of twine per pound from 5 per cent to 2½ per cent. The Inspection and Sale Act provides, in section 347, that:

Upon or attached to every ball of binder twine sold or offered for sale in Canada there

shall be a label with the name of the dealer and the number of feet of twine per pound in the ball marked or stamped thereon.

While binder twine is sold at different lengths per pound, I will confine my remarks to twine of 550 feet, that is, twine that measures 550 feet per pound. To each ball of this twine there is attached a label stating that the average length of twine contained in this ball is 550 feet to the pound. I turn however to the next page of the act, section 352, and I find this provision:

Provided that no deficiency in the number of feet of twine contained in any ball shall be deemed to be a contravention of this section unless the deficiency exceeds 5 per centum of the length indicated by the label.

This section allows the binder twine manufacturer a leeway of 5 per cent from the length stated on the tag. That is, a ball of twine that is labelled 550 feet to the pound may measure out only 522½ feet and still be legal. The farmer would be paying for 550 feet of twine and be receiving only 522½ feet, so that he would be 27½ feet short. In other words, his measurement would be 2,750 feet, or more than half a mile, short on 100 pounds of twine. It would be a very conservative estimate to say that the average farmer in the three prairie provinces buys at least 400 pounds of twine annually. Investigations that have been carried on by one branch of the organized farmers would lead one to think that some manufacturers are trying to make their twine 522½ feet per pound instead of 550 feet. The individual farmer cannot check the length of the twine he purchases and must depend upon the act and its enforcement for his protection in the matter of length. Proof that the manufacturers do not need the five per cent leeway is contained in their advertising matter. I have a farm journal which contains the advertisements of two Canadian binder twine manufacturers. One of these advertisements declares:

. This twine is guaranteed for length, strength and weight—the ball of standard manilla must contain at least 4,400 feet of twine.

That is to say, it must be 550 feet to the pound. That is guaranteed in the advertisement of this concern and it is proof that this particular firm does not take advantage of the five per cent leeway allowed by law. On another page in the same journal there appears the advertisement of another binder twine manufacturing concern to this effect:

It is longer—full length to the pound as guaranteed on the tag.

These being two of the large binder twine manufacturers in Canada, I submit that by their own admission they do not need this five per cent leeway. I would suggest to the government therefore that the Inspection and Sale Act be amended by reducing the leeway from 5 to 2½ per cent.

Before resuming my seat I want to say a word on the tariff. The work of the tariff board has reached a point where the government should be in possession of sufficient facts to warrant some reductions in the tariff. I have followed the work of the board as closely as possible without having the verbatim reports of the hearings, and I would suggest to the government that reductions might well be made on some lines of clothing and on kitchen utensils without seriously affecting the manufacturers. Tariff reductions along these lines would reduce the cost of living in every Canadian home.

Mr. T. E. SIMPSON (West Algoma): Mr. Speaker, it is not my intention to discuss the different items in the speech from the throne, for I consider that speech as more a recital of past events than a forecast of the legislation the government intend to introduce at the present session. In passing, however, I should like to refer to the prosperity which it is claimed Canada is enjoying at the present time, and to express my pleasure that that prosperity prevails to a greater extent than during the past few years. This I attribute mainly to the following five factors: the growth of the industry of agriculture, the increased production of forest products, the increase in our mineral production, the increase in the amount of capital that has recently been invested in the development of hydro-electric energy, and the increase in our tourist traffic.

I think everyone will admit that during the past four or five years the yield of agricultural products has been above the average, and the price that has been obtained, particularly for the wheat from western Canada, has been such as to add very materially to the wealth of this country.

As to the increase in our forest products, which in value are second only to those of agriculture, their value for 1927 is said to be no less than $475,000,000, of which approximately $283,000,000 were exported, chiefly to the United States—a material factor in maintaining the trade balance at as favourable a figure as it is. Looming large in connection with forest products is the pulp and paper industry, which is the most important manufacturing industry in Canada to-day, keeping in mind not only the value of the finished product but also the wage and salary distribution. The Prime Minister (Mr.

Mackenzie King) said in his speech to-day that Canada had risen to first place in the world in the manufacture of newsprint. That statement is absolutely true. Canada also occupies the proud position of exporting more newsprint than all the other nations of the world combined. In order to illustrate the growth of this industry let us compare the value of the product in 1913 with that of 1926. In the former year the total production of newsprint amounted to 350,000 short tons. In 1926 it had risen to 1,189,000 short tons, valued at $121,182,987, an increase in the newsprint production in that period of 438 per cent. The total production of pulp and paper for the fiscal year 1926 was $215,488,315.

Canada's rise to first place in the pulp and paper industry is due, in my opinion, to the wisdom and foresight of the provincial legislatures of Ontario and Quebec in placing an embargo on the export of pulpwood, notwithstanding what my hon. friend (Mr. Bancroft) has just said with respect to that action. I agree with my hon. friend, however, to this extent: I should like to see every stick of pulpwood that is cut manufactured in Canada, at least to the newsprint stage. If there is any discrimination against the actual settlers in Canada to-day surely some means can be devised whereby the settler shall be given a reasonable price for his wood, and yet maintain the manufacture in this country.

Mr. BANCROFT: That is all he is asking.

Mr. SIMPSON: Well, I think he should get it. When we consider the value of our forest products, the increased payroll which has come into existence as a result of the increase in the manufacture of those products during the last few years, and the increased capital which has been invested, not only in the enlargement of mills already in existence but in the erection of new mills, every one must admit that this development has played an important part in the prosperity that we are enjoying to-day. Then, as a result of the increase in the manufacture of newsprint, in the pulp and paper industry, and in mineral production, there has been a great demand for an increase in hydro-electric power, and as a result large sums of money have been expended in the development of hydro-electric energy. Let me give you a few figures to illustrate the growth of that development. The capital invested in hydro-electric development in 1910 was $121,000,000. To-day the capital invested is estimated at $900,000,000, an increase in seventeen years of over six hundred per cent. During the past three years over $180,000,000 of new capital have been invested in the development of hydro-electric energy in this country.

During the past few years we have benefited by another increasing source of revenue; I refer to the tourist trade. A few years ago this was not regarded seriously but last year, according to the figures compiled at Washington and by our own government, over $200,000,000 was spent in Canada by tourists from the United States, and when we consider the amount expended here by tourists from other countries we should probably be well within the mark in estimating that almost a quarter of a billion of dollars was spent by tourists in Canada last year—surely no small factor in promoting the prosperity which Canada is enjoying to-day.

Then we come to the mineral development. The production of our mines in the year 1927 is valued at $241,000,000, an increase of $155,000,000 in the past twenty years. Every one of the provinces with the exception of Prince Edward Island has contributed in some degree to this increase. Ontario, British Columbia, Alberta and Quebec, in the order named, have been the greatest contributors, and while the increase in recent years has been encouraging, I think when we look to the future, with the activity that we see on every hand with respect to mineral development to-day, none of us can form an estimate of the wealth that will be gained from the great pre-Cambrian shield in the years that are to come. When we realize that between fifty-five and sixty per cent of the total area of Canada is contained within the pre-Cambrian shield or mineralized belt, we may form some idea of what we may expect in the future from the mineral development of this country.

But I want to deal for a moment with the development in northern Ontario, not only because it has been the most active and important, but because I am a little more familiar with it. It is only about twenty years since the Ontario government constructed the Temiskaming and Northern Ontario railway north from North Bay and tapped the mining country at Cobalt. Since that time millions of dollars' worth of silver and other precious metals have been extracted from that section of the country. Several years later Porcupine was discovered and to-day they have a town with a population of between fifteen and twenty thousand, paved streets and several large gold manufacturing plants. From that camp alone more than $200,000,000 in gold has been produced. Before the war Kirkland lake was unknown. To-day there are several producing mines, some of them the richest in the world. In

the Sudbury area we find the Creighton and Frood nickel mines from which over $500,000,000 in wealth has been taken. It has been conservatively estimated that during the past twenty years there has been taken from northern Ontario more than $1,000,000,000 in wealth, of which approximately sixty per cent or $600,000,000 has been spent in wages, supplies and machinery, chiefly in other parts of Canada. Will anybody say that this has not been a strong contributing factor to such prosperity as we have in Canada to-day?

As I stated at the commencement of my address, these five means of production have been the principal factors in the prosperity which we enjoy to-day. Let me in all seriousness ask this question: What is the federal government doing to encourage development along any of these lines? Is it not a fact that our forest and mineral production have prospered because of the encouragement given to those particular industries by the provincial governments, and that with their development and prosperity the hydro-electric power development naturally followed?

But my chief reason for addressing the house at this time is to deal with another side of the picture, namely, the development of our iron ore and the iron and steel industry in this country. A few years ago the iron ore industry was quite an important one in Canada, when the Helen mine at Michipicoten in the district of Algoma was producing large quantities of high grade hematite ore, employing a large number of men, and providing considerable tonnage for our railways. But unfortunately the ore in that mine became exhausted and although considerable sums of private capital have since been expended in an endeavour to find new deposits of high grade ore, up to the present time the effort has been without success, and as a result not one ton of iron ore is mined in Canada to-day. The Ontario government a few years ago, realizing this, appointed a commission composed of mining men and engineers to make a study of the whole situation and report back to the government. This commission after an exhaustive study reported that large deposits of low grade iron ore running into hundreds of millions of tons had been located in northern Ontario but that none of this iron ore was fit for blast furnace use in its natural or raw state; that all of it required treatment for the purpose of removing some of the impurities and raising the iron content so as to make it merchantable or fit for furnaces. They found that the Algoma Steel Corporation had erected a plant at Magpie mine for the treatment of the ore and that it had been demonstrated that the ore could be successfully treated. But it was also demonstrated that the cost of treatment together with the cost of mining raised the price of that ore higher than the price of ore which could be imported from the Mesaba range in the United States and which was merchantable ore fit for blast furnace use in its natural or raw state. Consequently the company have had to abandon the plant and it has since been torn down and disposed of. The commission, no doubt realizing the great national importance of the development of this industry, recommended to the provincial government that some assistance should be given to enable this ore to be treated so that it could be used in our Canadian furnaces. They recommended that the provincial legislature should provide one-half of the assistance, which they suggested should be one cent per unit of iron content in the ore, and that the federal government should provide the other half. The legislature of the province of Ontario some two or three years ago made provision for the payment of their half of the bounty, and the matter now rests there awaiting action on the part of the federal government. My hon. friend from Fort William (Mr. Manion) and myself have endeavoured on various occasions to persuade the government to provide this assistance, but unfortunately up to the present time they have not seen their way clear to do so. I hope, however, that during the present session or in the very near future some provision will be made for taking care of this industry. I might add that there is no risk in connection with it because the ore has actually to be mined, it has to be treated and made fit for blast furnace use before they can claim any of the bounty; so the industry has actually got to function before it can receive any of this assistance.

I turn now to the iron and steel industry. Every one will admit, I think, that this great basic industry should be second only to agriculture in this country. It has been recognized as the very foundation of the industrial structure of every progressive and expanding nation in the world—an industry that has played such an important part in the industrial development of England, Germany, France and the United States. Now what is the position of that great basic industry in Canada to-day? I refer particularly to that part of the industry engaged in the primary manufacture of iron and steel, pig iron, steel ingots, billets, merchant mill products and rail mill products. That industry is certainly not in a very healthy or prosperous position. Indeed, for some years past it has had its back to the wall fighting for its very existence against the mass produc-

tion of the United States and the production of the mills of Europe, where the standard of living is very much lower than it is in Canada. When I tell you that the relative production of iron and steel in Canada as compared with the United States is only two per cent, you will be able to form some idea of what I mean by mass production.

The consumption of iron and steel in Canada is very diversified, and the demand in Canada for particular sections and particular sizes is small, necessitating frequent mill roll changes. The rolls have to be changed for each particular section and size that has to be rolled, and that naturally adds materially to the ton cost of finished product, placing Canada at a disadvantage as compared with the mass production of the United States or European countries, where they can go ahead and roll large quantities of each section or size without these mill roll changes. So you can readily see, Mr. Speaker, the disadvantage under which the mills of this country are working in that respect.

Moreover, the degree of protection that the iron and steel industry enjoys in Canada to-day has been materially reduced during recent years, because the duty is a specific duty, not an ad valorem duty. If it were an ad valorem duty it would be based on the value of the product, but it is a specific duty, so much per ton or so much per one hundred pounds of the finished product; and while the price of that product has materially increased during the last few years the duty remains the same; consequently the percentage of protection has been materially reduced.

Another factor that enters into the difficulties with which the steel industry is faced is the cost of transportation of the finished product from the mill to the consuming market, as compared with the cost from the mills in the United States or European countries. Let me give an illustration. Take Chatham, Ontario. The rate of freight on steel bars and structural sections from Buffalo is 26½ cents per one hundred pounds; the rate of freight on the same material from Sault Ste. Marie, is 41½ cents per one hundred pounds, or a difference in favour of Buffalo of 15 cents per one hundred pounds. The present tariff protection on structural steel sections weighing thirty-five pounds per yard and over is 15 cents per one hundred pounds, so you will see at once that the protection on this particular commodity is entirely wiped out by the increased transportation cost.

Take St. Catharines, Ontario—and may I say that St. Catharines is one of the principal pig iron consuming centres in the Dominion of Canada? The rate of freight on pig iron from Buffalo to St. Catharines is $2.30 per gross ton. The rate of freight on the same material from Sault Ste. Marie is $4.90 per gross ton, or a difference in favour of Buffalo of $2.60 per gross ton. The present tariff protection is $2.80 per gross ton, so you will see that in that case the protection is almost wiped out. I am not giving these figures with a view to asking the government to adjust the freight rates, because I am fully aware that that is the function of the railway commission. I am giving them for the purpose of trying to remove the misapprehension that exists in the minds of many people that the iron and steel industry in Canada to-day is enjoying a high degree of protection. I have mentioned a few, and only a few, of the difficulties under which the iron and steel industry is labouring, and as a result of which the importations of iron and steel have been increasing at an alarming rate.

Take, for instance, the figures under the main heading "Iron and Steel and Their Products" for the years 1925, 1926 and 1927 up to March 31. The importations were as follows:

1925..	$134,684,441
1926..	181,196,800
1927..	229,429,485

That shows an increase of almost $100,000,000 in the importations in this short period. I am informed that almost half of the iron and steel consumed in Canada is imported from foreign countries. What, then, should be done, Mr. Speaker, to put this great basic industry on a more permanent basis? I would say at once that a general revision of the tariff to meet more fairly the conditions that obtain to-day is long overdue. But, pending such a revision, I have a few concrete suggestions which I humbly submit to the government and which I hope will receive their favourable consideration. In the first place, I would suggest assistance to the development of the iron and ore industry to which I have already alluded. Second, I would suggest that a slight change be made in tariff item No. 1007 schedule B, which reads:

> Flat spring steel, steel billets and steel axle bars, when used in the manufacture of springs and axles for vehicles other than railway or tramway vehicles, 99 per cent drawback.

I think it is quite evident that when this section was drafted the automobile industry had not assumed the proportions in Canada

that it has to-day. A great deal of the steel that is imported under this item is used in the manufacture of automobiles, and I think the manufacturers of automobiles themselves will be the first to admit that in enjoying the reasonable degree of protection which they do on their finished product; this article, which is the finished product of another Canadian industry, should not be subject to the 99 per cent drawback. I would suggest that this item be changed to read:

Flat spring steel, steel billets, and steel axle bars, when used in the manufacture of springs and axles for vehicles other than railway, tramway or automobile vehicles; 99 per cent drawback.

I may say that steel such as that described in this item is manufactured in Canada to-day of a quality not surpassed by any manufactured in the United States or in any other country, and has been so manufactured for some time.

Then, thirdly, with respect to alloy steel; this is a comparatively new branch of the steel industry in Canada and there is no specific item in the tariff schedule covering this particular line of manufacture. I would suggest that an item to cover it be considered.

The fourth and final suggestion I would make is in connection with structural steel. There is a provision in the customs tariff to the effect that when structural steel is made in Canada in all sections weighing up to 120 pounds per yard the present duty applied to sections weighing less than 35 pounds per yard shall be applied to the larger sections. At the time this section was drafted practically none of the larger sections were made in Canada, and consequently had to be imported from foreign countries. Since then conditions have altered considerably. Canadian mills are now in a position to supply every need of the consumer in all the sections of steel angles and in beams up to six inches and channels up to seven inches. The Algoma Steel Corporation at Sault Ste. Marie has had the foundations laid for several years past for the erection of a mill to take care of the larger sections. For financial and other reasons they have not been able to complete that mill, but I am given to understand that they have informed the tariff commission and the government that if the clause of the tariff with respect to the larger sections of steel is made effective, they will immediately proceed to complete their mill at a capital expenditure of approximately $10,000,000, and will then be in a position to meet the Canadian demand for practically all the larger sections of steel. This is asking nothing more than what was contemplated when the section was drafted, and I think it is only what the industry is entitled to receive. If this were given effect to it would not interfere in any way with the steel imported by the manufacturer of agricultural implements or any of those items that are covered under specific regulations passed by the government in recent years. What would it mean to Canada if these suggestions were given effect to? It would mean giving a great basic industry a fighting chance for its existence. It would mean the manufacture in Canada of much of the steel now imported, thus providing employment for a very deserving and desirable class of citizens. It would help to improve our unfavourable trade balance with United States. During the year ended March 31, 1927, we imported in structural shapes alone about 150,000 tons, and if we cut that only in half by Canadian manufacture it would have a very material effect on the trade balance as between this country and the United States. I cannot speak with respect to the other steel companies in Canada, but so far as the Algoma Steel Corporation is concerned, I am informed that it would enable them to round out their present plant and increase their operation from the present standard of 40 per cent to about 80 per cent, thus giving more steady employment to the 2,500 men now on their payroll, who for a number of years have been given on an average only five month's employment in the year. It would enable them to employ from 800 to 1,000 more men, with an increase in the annual payroll of $2,000,000. Surely a new industry, or an extension to an existing industry if you wish to put it that way, willing to expend that amount of money and to increase their payroll to that extent in order to produce a product not now manufactured in Canada, a product which is being imported in such large quantities, should be worthy of the consideration of this government, I ask, Mr. Speaker, in all sincerity, that the suggestions, if I may term them such, that I have made to the government to-night receive their sympathetic support before the session is over, and that the Minister of Finance (Mr. Robb), particularly give them his most serious consideration before the budget is brought down, I think I can say without hesitation that anything they may do along that line will receive the hearty and unanimous support of the members on this side of the house.

[Mr. Simpson.]

On motion of Mr. Pouliot the debate was adjourned.

On motion of Mr. Stewart (Edmonton) the house adjourned at 10.40 p.m.

Wednesday, February 1, 1928

The house met at three o'clock.

REPORT

Report in French of the Canadian delegates to the eighth assembly of the League of Nations, September 25, 1927.—Mr. Mackenzie King.

ROYAL MILITARY COLLEGE OF CANADA

Hon. J. L. RALSTON (Minister of National Defence) moved for leave to introduce Bill No. 13, respecting the Royal Military College of Canada.

Mr. ROSS (Kingston): Explain.

Mr. RALSTON: The object of this bill is to bring the provisions of the act respecting the Royal Military College of Canada up to date and in line with the necessities regarding the appointment of the civilian staff in accordance with the provisions of the Civil Service Act, with respect to the qualifications required for students entering the college and also with regard to the financial provisions which for a long time have been out of line with requirements.

Motion agreed to and bill read the first time.

DEATH OF EARL HAIG

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): In view of the death of Earl Haig I would like to ask the government whether in his honour the flags on the House of Commons and on all other federal buildings in Canada will be half-masted and whether the house should not adjourn for one hour during the time of his funeral.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before answering my hon. friend's question I would like to have a word with His Honour, the Speaker.

CUSTOMS INQUIRY COMMISSION

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I have in my hand a copy of the report of the Royal Commission on Customs and Excise. Is the government prepared to bring down and lay on the table of the house the ten interim reports which preceded this?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government has no objection to laying on the table the ten interim reports, beyond this that three of the reports contain references to firms against which it is recommended that prosecution should be commenced. What the result of those prosecutions will be it is difficult at this stage to state. It may be that these concerns will not suffer as a result of the charges brought against them, and the administration felt it was worth while considering whether or not in the interim publicity should be given to the names and to the references to them. What I would suggest is that seven of the reports which do not contain references of that kind might be tabled at once. As a matter of fact they are all bound in one volume and I was having them separated for that reason so that I could lay seven of them on the table at once and furnish my hon. friends, the leader of the opposition and the leader of the Progressive party, with the other three which they can distribute amongst the members. If it is thought well to lay them on the table and thereby make them accessible to the press, the government has no objection, but that has been the occasion of the hesitancy. I will see that the seven are placed on the table to-morrow and that the other three are given in the interim to the leaders of the respective parties.

Mr. GARLAND (Bow River): I do not wish to appear in any way too hard in this matter but I would like to ask the Prime Minister whether or not the prosecution is to take place in camera. If not, I see no reason for withholding the evidence contained in the three reports to which he has referred because the names of the firms concerned will be made public in any event.

FARMERS BANK

On the orders of the day:

Mr. R. K. ANDERSON (Halton): I would like to ask the Minister of Finance whether the Farmers Bank has been definitely wound up and a financial statement received from the liquidator.

Hon. J. A. ROBB (Minister of Finance): I will take a note of my hon. friend's question and give him a reply to-morrow. I shall have to consult the representative of the exchequer court who is handling the matter.

PEACE RIVER RAILWAY OUTLET

On the orders of the day:

Mr. D. M. KENNEDY (Peace River): I would like to ask the Minister of Railways

whether the survey of the passes between the Peace River country and the Pacific coast have been completed and a report made. If so, will the report be laid on the table of the house.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The survey to which I referred last session has been made with respect to the Peace River pass. I have just received from Sir Henry Thornton a copy of the engineers' report and I shall be very glad to let my hon. friend see it. I do not see any reason why it should not be laid on the table of the house.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Tuesday, January 31, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. J. F. POULIOT (Temiscouata): Mr. Speaker, my first word will be an apology for speaking in a language which is not my own, but I will do so to the best of my knowledge and I hope every hon. member will catch every word of my speech. My second word is one of regret that in the high position which you occupy you do not take your share in the debates in this house and I think every member regrets not having the advantage at the present time of hearing your eloquent voice in this house.

May I point out a fact of importance that happened last year when the Holy Father called as a prince of the church His Eminence Cardinal Rouleau? The reason why I mention this fact at the beginning of my speech is because His Eminence, whose dignity and science have been admired throughout Canada, was born in my constituency. I boast at the same time that the Primate of the Roman Catholic church in Canada is a son of Temiscouata county, as is also, I am glad to say, the Minister of Justice (Mr. Lapointe). I am very proud of such electors although they have never voted for me.

I wish to congratulate my hon. friend the leader of the opposition (Mr. Bennett). Judging by his speeches since he has attained the leadership of his party, he is a great patriot, and as he is still a young man, I hope that he will continue to serve the country in that capacity and to the best of his ability in the years to come. During the course of this session I hope the house will have the advantage of being told by the leader of the opposition, when it is timely to ask the House of Commons at Westminster to repeal the Colonial Laws Validity Act, and also, as he says that his is a constructive policy, I hope that he will supply the house with a constructive program on immigration if the present arrangements are not to his taste.

I also take the liberty of congratulating from the bottom of my heart the mover of the address, the member for Hants-Kings (Mr. Ilsley). Though I did not have the advantage of hearing his speech, I read it carefully. I admire his eloquence, and I am very glad that his predecessor in this house has been so ably replaced. I mention his predecessor because everyone in this house knows that we were on speaking terms.

I also admired very much the beautiful language used by the hon. member for Provencher (Mr. Beaubien), in seconding the address, in French. I am not at all surprised that he had the honour of being elected by acclamation at the last election if he delivers to them speeches such as he delivered in this house the other day.

As to the hon. member for South Wellington (Mr. Guthrie), whose eloquence I admire very much although I do not always share his views, I consider him one of the ten best debaters in this house, and if we did not have the advantage of hearing his speeches answered we might believe everything that he said. I listened with deep interest to his address yesterday, when he attempted to show that the taxes now are higher than they were in the last years of the Conservative administration. That might be true; I am not discussing that, but the point I wish to bring out is that in the years previous to the Liberal administration coming into power the public debt grew very considerably, and instead of imposing taxes upon the people the Conservative government of that day used to borrow money to such a large extent that I think the Minister of Finance to-day should be warmly congratulated upon having reduced the debt. I have another request to make of my hon. friend the leader of the opposition in this connection, and that is that he would be kind enough during the budget debate to give us a constructive policy for reducing the public debt without imposing taxes.

I come now to a most important question mentioned in the speech from the throne, and that is the Dominion-provincial conference. I wish to tell the truth and nothing but the truth, but I shall be unable to tell the whole truth on account of the forty minute limitation on speeches. I shall not speak otherwise than as a member of the rank and file, as a back-bencher, and what I shall say will be

spoken entirely upon my own responsibility, but it will be in conformity with the opinions and sentiments of the people of Temiscouata county who sent me here as their representative in this house. I shall speak very calmly; I shall try to be as cool as ice, and my hon. friends will notice that every word I use will be uttered with the greatest sincerity.

I have been elected as a Liberal, as a supporter of the right hon. Prime Minister (Mr. Mackenzie King) and of his government. The Prime Minister is my leader, and I have to follow the advice of his ministers. I wish to be loyal to them, just as my hon. friends opposite wish to be loyal to their leader. The party system has existed for a long time in this country, and while perhaps it does not suit everyone, it is the system that appeals to most of us, and we have to follow party lines. I crave the indulgence of the house for the few remarks I am going to make.

First of all, may I say that the bonne entente is no longer young; she is now quite an old lady, having been born in 1867 when the parliament of Canada first met after confederation. Sometimes we do not share the opinions of hon. gentlemen opposite. It is our right just as it is theirs, to have their own opinions, but when we go out of this house the friendship that has always existed between us continues to exist, and during the few years that I have been in this house one of the things that I have admired very much is the good companionship that I have always found existing among members of different races, different creeds, and different political parties.

There are, Mr. Speaker, three forms of government in this country. I am looking at this question from a different angle than the leader of the opposition. There is, first, the municipal government, secondly, the provincial government, and thirdly, the federal government; and ever since I have taken an interest in public life I have never seen in any paper a report that a federal minister had ever criticized the acts of a provincial administration, whether Grit or Tory, whether Catholic or Protestant, whether English-speaking or French-speaking. It has never happened, to my knowledge that a federal minister, in his capacity as such, has ever criticized a provincial administration. I have never seen the leader of the federal opposition leaning on the shoulders of a provincial administration for support. I am sorry, Mr. Speaker, that I am compelled to say something of a similar character of the Premier of the province of Quebec. May I say, first, that I consider Mr. Taschereau is a good citizen and I am sure he acts in good faith, but he is not my leader. If he makes a statement I can tell him in very plain language that he is wrong; I can remain loyal to my own leader without sharing Mr. Taschereau's views and I can be loyal to my own leader when I express entirely different views from those of Mr. Taschereau. May I add that he is, in many respects, a good premier, and that he shares with the Minister of Roads, Hon. Mr. Perron, with his Minister of Mines, Mr. Perrault and with Mr. Nicol, his treasurer, a good part of the credit for the real prosperity of the province of Quebec.

As you are a scholar, Mr. Speaker, you will remember having read that before 400 B.C. Xerxes, king of Persia and Media, who abolished the kingdom of Babel and took away the statue of Bel, crossed the Hellespont. When the Newfoundland case was to be argued in England Mr. Taschereau crossed the Atlantic in the same glorious fashion. It is always a dangerous thing before a case is over to express an opinion.

The province of Quebec and the Dominion government lost the case before the Privy Council. I give credit to the people of the Department of the Attorney General at Quebec, as well to those of the Department of Justice at Ottawa, because they did their best in that case. No one is to blame. However, they did not succeed. The blame might be put on the lords of the Privy Council, but that cannot be done, because they are immune from the law. I wish to say a word in reference to the judgment in that case. Then Mr. Taschereau gave an interview to the papers. That interview he has never denied—but perhaps he will deny it to-morrow after reading the report of my speech—to the effect that if Canada and the province of Quebec lost Newfoundland and Labrador, it was because Mr. King, the Prime Minister, had too much to do with imperial questions, and that if he had done some lobbying, as the premier of Newfoundland had done, Labrador would have remained as a part of Canada. Well, Mr. Speaker, if Mr. Taschereau is right in saying that when a Prime Minister attended the Imperial conference he paid too much attention to imperial matters, one thing is sure, and that is that Mr. Taschereau did not study imperial questions at that time, and if he had known more about imperial questions the speech from the throne in the province of Quebec, which was read on the 10th January last, would not have contained this paragraph:

> My ministers believe that Canadian unity and the future of Canada will be best assured by respecting provincial autonomy and by remaining loyal to the British North America Act in the spirit as well as in the letter.

In reference to the Newfoundland case, Mr. Taschereau was wrong when he tried to evade responsibility by putting it on the premier's wide and strong shoulders. There was no responsibility at all, as I have previously said, but when I read part of the speech from the throne in the Quebec legislature, I heard some gentleman opposite who never did anything to support Mr. Taschereau in his elections say: "Hear, hear." My hon. friends opposite appear to be acquainted with Mr. Taschereau, and I will have a few words to say about that afterwards. What I want to say now is that equality of status between Canada and the mother country is like the equality of mind between Mr. Taschereau and my hon. friends opposite.

Just to please my hon. friends on the other side of the house, may I quote an extract from an interview given by Mr. Taschereau the day after the last general election, which has been published in Le Soleil, of Quebec on the 17th of May, 1927. It reads:

Nos amis du fédéral, ministres et députés, nous ont prêté leur concours avec un empressement et une générosité dont je tiens à les remercier vivement. La solidarité qui existe entre les libéraux d'Ottawa et les libéraux de Québec ne pouvait être mieux démontrée.

I will translate the statement as best I can. It read thus:

Our federal friends, ministers and members, have helped us with such earnestness and generosity that I wish to thank them warmly. The solidarity that exists between the Liberals of Ottawa and the Liberals of Quebec could not be better shown.

It means that when Mr. Taschereau called on us for support everyone of us answered, "Ready, aye, ready." And I tell you that when Mr. Ferguson calls on Mr. Taschereau, he answers, like a pupil, "Ready, aye ready."

Well, Mr. Speaker, there was a great change of attitude after the election. During the election Mr. Taschereau was saying, "My dear federal friends, pray come to my help against those Tories of the province of Quebec." After the election he was saying to the Tories, "Now I don't need my federal friends any more; come and I will kiss you on the cheek." And they seemed to like it.

Mr. EDWARDS (Frontenac): Does the hon. member get that idea from the attitude of the present government towards the Progressives?

Mr. POULIOT: The hon. member is a great humorist. I think, Mr. Speaker, that the word "solidarity" used by Mr. Taschereau in his message after the elections of the province of Quebec was wrong. There can be no solidarity between the federal and the provincial administrations because the spheres of action and the problems differ in the respective fields.

We were allies during the election, but afterwards let us see what happened. In municipal government there are pressing problems, as there are in provincial and federal government, but those problems are entirely different in each jurisdiction. Each body has its own way to travel, and what Mr. Taschereau did about imperial matters reminds me of a little story. One day while at college the teacher was giving a lecture in astronomy, in the course of which he explained an eclipse. Holding his watch in his hand he said, "This is the earth;" then he put his fountain pen in front of his watch and said, "This is the moon;" and, indicating himself, he added, "I am the sun." Immediately one of the pupils retorted, "You are a damn liar!" I apologize for the expression—

Mr. SPEAKER: I was about to draw the hon. member's attention to the fact that it is not strictly a parliamentary expression.

Mr. POULIOT: Yes sir, and I withdraw the expression. Perhaps Mr. Taschereau regards himself as the sun on imperial questions, but if so I cannot help but remember my old teacher. We cannot overlook the fact that as a nation we are growing up, and that our constitution must develop with our growth. But of course nothing will be done to change our constitution without the consent of all the provinces of Canada which were parties to the pact of confederation. Then what is the danger to provincial rights? I never heard in this house that the government had the least intention to override provincial rights in the settlement of the very difficult and important questions that arise from time to time in this Dominion.

I do not propose to discuss the imperial conference or imperial questions any further, but I would ask: Is Mr. Taschereau a specialist on imperial problems? Where did he study them? He has his own business to attend to. He has the Saguenay aluminum plant to think of and is so busy talking with American people about their settlement in Canada that he has very little spare time to study imperial questions. Those questions will be discussed in this house. But, Mr. Speaker, I do not see why the premier of Quebec should put in the speech from the throne delivered by the lieutenant governor of the province a paragraph that is a direct attack on the federal administration. Mr. Taschereau came to

Ottawa. I am told you were even gracious enough, sir, to lend him your apartments while he was here. He had ample space to work in—he had the library at his disposition. He could have talked with the members of the federal government about everything. Did he not do so? He has every right to his own opinions as a private citizen, but, sir, I submit that as Premier of the province of Quebec he has no right to speak against his friends who gave him such strong support during the election, when there is now no reason for him to fear anything. I respect Mr. Taschereau's views, he may think as he likes so far as I am concerned, but I contend that the paragraph to which I have referred does not express the real sentiments of the people of my province. We rely on the Prime Minister and the Minister of Justice (Mr. Lapointe) and their colleagues to express our views as a national entity.

Now, Mr. Speaker, I come to the St. Lawrence waterway. I believe it was the part of wisdom to submit the case to the Supreme Court of Canada, the legal advisers of the government of this country. At whose request was such step taken? I do not know whether it was at the instance of the federal or any provincial government, but, I repeat, it was a wise course to take, because when there is controversy on a point of law, the judicial part of our administrative system, to use the expression of the learned leader of the opposition (Mr. Bennett) must be consulted. There are three rights of ownership of rivers; private, provincial and federal. May I give a citation, Mr. Speaker, to show how private ownership of this kind has been treated by the provincial government of Quebec since Mr. Taschereau has been a minister of the Quebec government. I quote the first paragraph of article 2252 of the revised statutes of the province of Quebec, 1909. It reads:

> Sales and free grants of lands belonging to the crown are and have been since the first of June, 1884, subject to a reserve, for fishing purposes, of three chains in depth of the lands bordering on non-navigable rivers and lakes in the province.

A most important case, that of David McLaren and others against the attorney general of the province of Quebec, was taken to the Privy Council, who gave their judgment on June 28th, 1914. One of the considerants of that judgment reads:

> That the appellants were owners and proprietors of the bed of the Gatineau river and of the lands and water powers therein, opposite their property. (20 R. L. 248).

I quoted that judgment to my learned friend the leader of the opposition last year, and I would point out that in it it was held:

> That in such rivers the property of the riparian owner extends ad medium filum aquae. . . . to the middle line of the water.

This judgment had an important bearing on the legislation of Quebec. In the first place the civil code, which gives the rules governing property, was amended a few years afterwards, by 8 George V, chapter 72. That amendment was to the effect that the article did apply to all non-navigable and non-floatable rivers and streams and their banks bordering on lands alienated by the crown after February 19, 1890. But this is not the most interesting amendment; there is another one. I have read the law as it stood; I have quoted the article showing that there was a reserve, in the case of the crown, for fishing purposes. Now I will quote for the information of hon. members the amending statute, which will amaze them and from which they will see that, by a change in three words, a government can rob the people of their rights. This amendment reads:

> Article 2252 of the revised statutes, 1909, is amended:

It seems that this is just as easy as swallowing a spoonful of honey.

> (a) By replacing the words: "for fishing purposes", in the third line thereof, by the words "in full ownership by the Crown". (9 G. V, c. 31, s. 1).

And in this instance the crown was the provincial government of Quebec. Let me quote the law as it now is, from which you will see just what the difference is:

> Sales and free grants of land belonging to the crown are and have been since the first of June, 1884, subject to a reserve, in full ownership by the crown, of three chains in depth of the lands bordering on non-navigable rivers and lakes in the province. (R.S.Q. 1925, c. 83, s. 7).

This is my point. A case was submitted to the Privy Council with a view to securing an opinion on this provision, and when the judgment of the Privy Council was shown to be against the province of Quebec as an entity the law was amended with the result that the province, by changing three words in the statute, has acquired the full ownership of the interest of these riparian owners. As a responsible member of this house I make the statement that nothing of this nature has been done by this parliament, and the people have no reason to fear that parliament will take any such action. That is not our attitude and I am sure the federal government will never pass such a law. However, let me add this: If the federal government should introduce such a provision, loyal as I am to my leader and to the government as well, I should feel called upon, being also loyal to my electors, to vote against it.

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

Mr. POULIOT: By leave of the house may I continue five minutes longer?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. SPEAKER: I fear that if the house gave way in this instance it might lead to an abuse of the privilege.

Mr. PETER McGIBBON (Muskoka-Ontario): The government of the day has seen fit to call parliament together at this time, presumably for the despatch of business, and probably no more bloodless and pulseless speech from the throne has ever been presented to this house than the one now under consideration. I do not know that this is very much to be wondered at when we consider that this administration has never had sufficient courage to do, at the proper time, what should be done. For example, it is not surprising that no mention is made in the speech of the problem in relation to the great St. Lawrence waterway. I can imagine that when the contents of the speech were being discussed in the council chamber the shades of the Siftons, the Joneses and the Holts were hovering around like the ghost of Banquo before Macbeth. How could the government speak; how could they bring down a policy upon this great subject until the masters behind them had decided what they were going to do?

Yesterday, sir, the Prime Minister said to the leader of the opposition with great emphasis that we do not want people in this country until we have work for them to do. That is a very correct hypothesis, I agree, and I also agree that at present in Canada we have not the work for them to do. But I wondered, sir, if it ever occurred to this government and to the Prime Minister that it is the duty of a government so to shape their policies as to create work for the people? No greater crime can be laid to the door of any government than that which is laid at the door of the present government when we say they have not been able to create sufficient work to keep our own people in Canada. By way of explanation, the Prime Minister remarked that ocean fares had gone up, that conditions in Europe were different from those prevailing ten years ago, and that was the reason we were not getting immigrants. At the time I could not help but think of the people who wanted to migrate to the United States, and wonder if they were any different from the people we are trying to get. Is there any material difference between the fare from the old country to New York and from the old country to Canada? And yet, with a similar people, a similar climate and a similar country, we have been spending millions of dollars with no success in getting immigrants while the United States have been spending millions of dollars keeping immigrants out.

What is the reason? The reason can only lie in the incapacity of the men who sit on the treasury benches. No government ever had the opportunities to secure immigrants that this government have had. Coming into office shortly after the great war, when this country was advertised to the ends of the earth and the eyes of the whole world were upon our country with its vast stretches of land, its forests, pulpwood, mills and factories, still for five years this government have not been able to bring into Canada a number of immigrants to equal those Canadians who have left and gone to the United States. I drew the attention of the Prime Minister to that yesterday, and he said he would much prefer that his statement go out to the world instead of mine. Coming from the Prime Minister, of course, I do not doubt that, but I speak the facts. I say to him that there is not a man on this side of the chamber who would not be ashamed to sit in the chair of the Prime Minister to-day while more full-blooded, native-born Canadians are leaving Canada for the United States than we can replace with immigrants from all the countries in the world.

If there is any dispute as to that I have the figures here. In one hand I hold the report of the Minister of Immigration (Mr. Forke) and in the other the annual report of the commissioner general of immigration for the United States, and these show that for the last five years some 50,000 more Canadians moved across the line into the United States than this government have been able to bring to Canada from all over the world. I want you to remember this, sir; since 1924 none but native-born Canadians can go across the American line, and consequently the drain is much more serious. So I ask you, Mr. Speaker, and through you the government, how long this country can stand this drain with a population of only eight or nine million? How long can we afford to lose eighty, ninety or one hundred thousand people a year to the United States? Since this government came into power 720,000 Canadians have gone into the United States, registering and paying their head tax, and I think it a fair estimate to say that no more than three out of four of those going into the United States register, so I think it fair to

say that since the Liberal government came into power in 1922 a million Canadians have crossed the line and taken up residence in the United States. I say to the Minister of Immigration (Mr. Forke) that he is charged with one of the most important portfolios in this government, and I say to the Prime Minister that he and his government have been hopelessly inadequate in dealing with this question. I do hope, sir, that some good may come from the establishment of the commission which has been suggested by my leader.

That is the most important question in the country to-day, because involved with it is the question of our national debt and taxation. I was pleased to read in Hansard to-day the remarks of the hon. member for South Wellington (Mr. Guthrie), because he took up a subject with which I was going to deal to-day, but upon which I now find it unnecessary to speak. I refer to the matter of our national debt and the taxation in Canada. I think he proved conclusively that when you consider all our commitments the national debt has not been reduced since this government came into power. I have the figures showing the revenue for every year since this government came into power, and there has not been a single year in which this government have not taken more money out of the pockets of the people of Canada than did their predecessors in 1921 and 1922. Consequently I ask them, how can taxes be reduced when they have been obtaining through taxation more money year by year? If they wish an example, however, I would refer them to the system of debt reduction in force in the United States, as I have done in this house before; I would recommend to them the plan worked out by Mr. Mellon, Secretary of the Treasury in the United States, by means of which they have reduced their debt from over 26 billion dollars to $17,900,000,000 at present. Under this system of rigid economy, something which is foreign to this government, they have reduced the per capita taxation from $50 to $25.

Working under these new rules, Mr. Speaker, one is rather handicapped; you feel that if you digress too far you may get lost and be unable to return, so I will have to pass on. I would like to devote a moment or two particularly to the Minister of Finance (Mr. Robb) and the Minister of Trade and Commerce (Mr. Malcolm). Some time ago I noticed in the Financial Post a full page advertisement signed by the Minister of Trade and Commerce who, during the last twelve months, has been promoted to practically a publicity agent for the government, to boost their stock in a falling market. I find that this is the creed of the government, as laid down by the Minister of Trade and Commerce:

> It remains for our producers and manufacturers to learn more fully of the opportunities awaiting them abroad. To help in this direction, to assist producer and manufacturer, to teach our people "export trade consciousness"—

I want you to notice that, sir, because I am going to refer to it later.

> —is the duty of this department of the government. The Department of Trade and Commerce has an active organization in the principal trading centres of the world. Working under the direction of the commercial intelligence branch at Ottawa, this organization has already enabled Canadian firms to obtain profitable and permanent markets in foreign lands. Canadian officials, strategically located, search out opportunities for the sales of Canadian products, and investigate all conditions under which these may be transported and offered for consumption. These official trade commissioners stand ready to assist the Canadian producer or manufacturer. Their whole effort, co-ordinated from Ottawa, is designed to create new markets for Canada, and help hold those we already have. Such a service is at the call of every Canadian who asks it.

That is a pretty fine creed for any government. After reading it I began to look over the record of this government to see how they have fulfilled the conditions laid down by themselves. I noticed, on getting the returns in regard to the different countries with which this government had entered into negotiations respecting commercial treaties, that in practically every country this government had fallen down in the very doctrine which I have just read to the house. For example, they made with Belgium a treaty which came into effect on the 22nd October, 1924. Prior to that treaty we were importing annually about $3,000,000 worth of goods. After it in 1927 we imported about $9,000,000 worth of goods. Prior to the treaty we were exporting about $12,000,000 worth of goods and in 1927 our exports had risen to $21,000,000. That is one of the most favourable examples.

We made a treaty with Czechoslovakia and our imports in 1926 amounted to $1,272,000 and in 1927, $1,726,000. But the fact is that our exports had not increased in any proportion to our imports.

We made with Finland a treaty which came into effect on August 1, 1925. Before the treaty came into effect we were importing about $15,000 worth of goods and in 1927 we imported about $82,000 worth. On the other hand our exports increased from $1,038,000 to $1,882,000.

We made with France a treaty which became effective on September 5, 1923. Prior to that our imports amounted to about $12,000,000 whereas in 1927 we imported $23,992,000 worth of goods. Prior to the treaty we were exporting annually about $14,000,000 worth of goods and last year our exports had increased to only $15,000,000. This export trade does not show an increase in line with the doctrine laid down by the present government. These are the important markets which they said it was their duty to get for the manufacturers of Canada.

We made with Italy a treaty that came into effect on January 8, 1924. In that year our imports amounted to about $1,800,000, whereas, in 1927 they amounted to $3,444,000. On the other hand our exports had increased in the same period only from $18,000,000 to $22,000,000. I might continue and read them all, but as my time is limited I am going to refer to only one more, and my reason for doing so is that it is one which affects the farmers more directly than the rest of the people of this country. I refer to the trade treaty with Australia. As nearly every hon. member knows, this treaty was negotiated in 1925 between the Minister of Finance (Mr. Robb) and the government of Australia, and by it radical reductions were made in the duties on certain articles, notably butter, coming into this country. In lieu we were supposed to get certain advantages on automobiles and automobile parts, pulp and paper, and some kinds of fish. What has been the result? Members on this side of the house denounced the treaty and said that it would be bad. Events have proved that our denunciations were not even half strong enough because the treaty has proved worse than we ever dreamed it would be. Let me give the house some figures with regard to our trade with Australia. The imports and exports are as follows:

Fiscal year ended March 31	Imports	Exports of Canadian produce
1924	$1,037,451	$19,923,997
1925	2,634,713	12,035,086
1926	3,042,054	15,411,746
1927	6,296,197	18,965,881

When you put side by side with that the importations of butter, which is the principal thing I want to speak about, you find that the importations of butter from Australia and New Zealand have risen year by year until this year they amount to more than ten million pounds and the price of butter in this country has dropped on an average, as estimated by wholesalers, from twelve to fourteen cents a pound. What did we receive in return for this? We were supposed to receive a benefit in the intermediate and general tariffs on automobiles and automobile parts, and we got it for a while. Then the government of Australia increased their general tariff and left the British preferential alone, so that to-day we have been legally robbed altogether of this market. Shortly after that this government by order in council made the terms of this treaty applicable to New Zealand as well. The Prime Minister, in discussing this treaty with the National Dairymen's Association, made a significant remark to which I want to refer. They met in Ottawa and after they had discussed it for a while and had pointed out to him how these vast importations of butter were ruining the dairy industry in this country, the Prime Minister made this significant statement:

We must think of empire trade.

The Prime Minister of Canada takes a market for ten million pounds of butter away from the farmers of Canada and gives it to the farmers of New Zealand and Australia, and especially New Zealand, for nothing. Is that a patriotic thing to do to the great dairy industry of Canada? There you have a market amounting to ten million pounds of butter given to the people of New Zealand and Australia and lost to the farmers of Canada.

But that is not the worst of the story. In order to encourage imperial trade with Australia they raised the duty on raisins from two-thirds of a cent to three cents a pound. This practically raised the wholesale price five cents and the retail price six cents. When I looked up the importations of raisins I found that out of 40,000,000 pounds imported into Canada, two per cent or about 800,000 pounds came from Australia. Consequently, the Prime Minister taxed the consumers of this country six cents a pound on 40,000,000 pounds of raisins, or about $2,400,000, in order to encourage an imperial trade which we did not get. This was a tax on the people of this country of about $2.50 per pound on raisins. imported from Australia. If you take the gross tax that was paid in this country and divide that into the importations from Australia you will see that it works out between $2 and $3 per pound. That is the price which this country is paying for one of the trade agreements made by this government. I hope before the session is over somebody in this house will have the courage to rise up and demand that this agreement be modified. We have lost the automobile business because Australia, legally and within its rights, boosted up the intermediate and general tariffs and there is nothing left for us but the paper industry and the fish industry, the exportations

of paper amounting to only $2,500,000. I wish that I had time to go more into details but, as I said before under these new regulations I have not the time.

Another matter to which I wish to refer is the question of the status of this country. Last year I did not say anything about it and I do not intend to say very much this year. But when I saw the Prime Minister (Mr. Mackenzie King), the Minister of Justice (Mr. Lapointe), and all the rest of the cabinet going about this country preaching this new charter of liberty which they had secured overseas, I thought it was time for someone to say something for the people who really won that charter, namely, the soldiers who fought in Flanders and France. Before anything more is said about this matter by the government, I would like the Prime Minister, the Minister of Justice or any other member of the cabinet or any hon. gentleman opposite to stand up in this house and tell me what this government ever did to advance our status. I have read all the reports of the different imperial conferences, and I think that every prime minister from confederation down has contributed something along that line—one of the principal contributors was Sir Robert Borden—but I have not been able to find a single thing that the King government ever contributed. Sir Wilfrid Laurier, after he became prime minister in 1896, went to the Imperial conference and demanded the repeal of the Belgian and German treaties, and he succeeded in getting them repealed. That did something to unfetter this country and give us more freedom, because the British preference was involved, and from that time on his voice was heard at every conference until in 1911 he succeeded in getting a little more detailed information than he had ever got before. Up until that time the prime minister of this country had been practically a spectator at the Imperial conferences. Let me read a sentence taken from Sir Robert Borden's Canadian Constitutional Studies:

> Although questions touching foreign relations had occasionally come under discussion at the conferences from 1887 to 1911, there is no reason to suppose that the Dominion representatives had been taken into the confidence of the British government with respect to general policy or commitments.

That is quite true; they never had been taken into the confidence of the British government. In 1911, Mr. Asquith, at the close of the Imperial conference that was held that year, said:

> Gentlemen, I again advert to a matter which has been referred to by Mr. Fisher and Sir Joseph Ward, that this is the first time—and this conference will be significant in memory in that respect—when, in Mr. Fisher's happy phrase, the representatives of the dominions have been admitted, as it were, into the interior, into the innermost parts of the imperial household; what in the old classical phrase were called the "arcana Imperii" have been laid bare to you without any kind of reservation or qualification.

That was the first time that the prime minister of this country was ever taken into the confidence of the British cabinet so far as imperial foreign relations were concerned.

A few years later Sir Robert Borden did what had never been done before. He attended the imperial cabinet meetings in 1915. We do not know what took place at those meetings because there is no record of them, but at any rate he was admitted into the cabinet councils at that time. Following that development along still further, in 1917 there were two cabinets in London—the British war cabinet and the imperial war cabinet. The imperial war cabinet included not only the Prime Minister of Great Britain and some of his colleagues, but the prime minister of every dominion, and these dominion and colonial representatives expressed the views of the people they represented. It was at one of these conferences that Sir Robert Borden succeeded in getting passed a resolution which I think is the basis of this greater charter of liberty which we are supposed to have got in recent years. In the records of the conference of 1917 you will find this resolution:

> The Imperial War Conference are of opinion that the readjustment of the constitutional relations of the component parts of the empire is too important and intricate a subject to be dealt with during the war, and that it should form the subject of a special imperial conference to be summoned as soon as possible after the cessation of hostilities. They deem it their duty, however, to place on record their view that any such readjustment, while thoroughly preserving all existing powers of self-government and complete control of domestic affairs, should be based on a full recognition of the Dominions as autonomous nations of an imperial commonwealth.

That resolution contains I think the phrase upon which this new charter of liberty was founded, and the foundation was laid by Sir Robert Borden in 1917. Further on in the minutes of that conference, you will find a resolution stating that there should be new means of communication between the United Kingdom and the dominions, and a resolution was brought in by Sir Joseph Ward stating that the Prime Minister of Canada had the right to communicate directly, if he wished to, with the Prime Minister of Great Britain.

Certain reservations were placed upon that for business reasons, because the Prime Minister did not want to be bothered with the details of trivial matters, and so it was left to the ministers to be the judge of what communications should go through that channel.

A little later on, the matter of Canada's representation at the peace conference came up. Sir Robert Borden on behalf of this country demanded that Canada should be represented there. You, Mr. Speaker, will remember that when parliament was sitting in the museum we were kept up all night one night in order to ratify the peace treaty before it was ratified by the parliament of Great Britain. It was desired that our ratification should precede imperial ratification, and we were kept up all night for that purpose. That I think was Sir Robert Borden's main reason for calling a special session of parliament, in order to vindicate the right of Canada to make her own treaties and to make clear that no treaty would be binding on this country until it was ratified by parliament. We did not get that without a struggle, nor did we get representation at the League of Nations without a struggle. Objections were made not only by Great Britain but by the United States, but we finally got representation on the league.

I want this government to tell me anything they have done to improve our status. Sir Robert Borden, as I have already pointed out, had that resolution passed at the Imperial conference in 1917, but what has this government ever done in that direction to justify them coming here and telling us they have brought home to Canada a new charter of liberty. I for one am glad that we have a fuller liberty in our domestic affairs. I do not think any of us would like to go back to the time when we sent over our first contingent, the Princess Pats and all that, and when the imperial authorities tried to requisition our ships during the war, but Sir Robert Borden and his government asserted our rights and I do not think any man can reflect on that time without feeling glad that we have greater liberty in our domestic affairs to-day. But I say that that greater measure of liberty came, not only to Canada but to the other dominions as well by reason of the fact that there were one million soldiers from the colonies on the battlefield; it was not through the influence of the King government. That is all down in the records for any man who wants to read it. I say to you, Mr. Speaker, that this government's patriotism must be pretty poor. They must feel their poverty, as far as the patriotic people of this country are concerned, when they come back here and try to take credit for something they have not done. I ask this country in all seriousness, why should this government rob the dead?

Mr. JOHN EVANS (Rosetown): Mr. Speaker, neither in the speech from the throne nor in the speech of the leader of the opposition was any new fiscal policy or forward outlook for Canada outlined. The government seemingly is very satisfied with things as they are as indicated in the first paragraph of the speech. But over against this is the dismal wail of the leader of the opposition regarding unemployment and the money which is leaving Canada to buy foreign goods. It is one of the economic fallacies often voiced in this house that to be prosperous we must not purchase goods or trade in foreign countries; but the class who put that forward are those who are the favoured ones in our tariff schedules. In answer to the leader of the opposition, I wish to tell him that we do not lessen employment by increasing imports. The increase of imports indicates always an increase of employment, because there must be increased exports to pay for increased imports. It does not lessen employment. But according to the view of the protectionist manufacturer and distributor, it is a detriment to import anything ready to use, because the idea back of protection is not prosperity for the country, but control of the earnings of the primary producers by a certain class in this country. The tariff system can never be a national benefit. It is only a benefit to a certain class and that class generally one of the smallest in any country. The tariff is always a class advantage and, as far as as that is true, it is the protected class only that benefits. The eighty million dollars worth of goods which we purchased abroad this year more than we purchased last year indicates two things; first a larger purchasing power on the part of the primary producer, and an indication that the earnings of the workers of the country are not completely under the control of the protected class.

Last year the government informed us that no changes were to be made in the tariff because the tariff advisory board were not ready to report, or had not dealt sufficiently with the applications placed before them. The income and excise taxes were cut, which benefited only the rich. We hope that this session will see a reduction in the tariff, and not a further cut in the income tax, and in support of our contention I was very glad to see that the Montreal chamber of commerce passed a resolution recommending the government at Ottawa to maintain an income

tax permanently, as a source of revenue, believing that it is economically sound, a just tax and the most economical to collect. I quote that in support of our contention which we have made for years under the organized farmers of the western provinces. This year the long overdue repeal of penalties on the working class is due. Last year's session of parliament was a rich man's feast. The farmer is penalized on the necessaries of life and his tools of production, and he has to sell his products in the open markets of the world, against all the cheap labour of the world, the cheap labour of Europe, Asia, Australasia and every country that exports. I do not think this truth can be too often reiterated in this house.

A good deal has lately been said about the Australian treaty as it affects the dairymen of Canada. Some protectionist journals of the east have been poking a little fun at the farmer in asking protection against butter, cheese and other agricultural products being imported from Australia. These journals, owned and controlled by protected manufacturers and distributors, for whose benefit the protective system of import penalties has been imposed on our primary industries, all wilfully ignore the facts of the case. Trade treaties are always part of the old game of class privilege, and a trade treaty never can be consummated without hurting some one class, to give another class an advantage. The Australian treaty is so pregnant with these features and abuses that it has, more than any other, served to bring these features before the people of the country. I would not mention the Australian treaty here were it not for the fact that some of our protectionist papers have, in their blind selfishness, played on the minds of their readers, to whom they are careful not to convey the real truth. As the mover of the address in reply to the speech from the throne said, "the country you are negotiating with always requires a quid pro quo", and in the Australian treaty we lowered the duty on butter from four cents to one cent per pound. That was to give the manufacturers of automobiles, paper, and certain other commodities a freer entry into the Australian market; indeed, some agricultural products were placed on the free list for this purpose. The four cents per pound of import penalty on butter never gave the Canadian farmer any advantage. Neither did it raise the price to the consumer. The price to the farmer on all dairy products was based on the export value, and the Canadian farmer never exceeded the export price. Four cents a pound was put on in the hope of furnishing an excuse for the Canadian manufacturer to exploit the dairyman on the price of the supplies that he was bound to purchase. The present duties on some of these supplies go as high as 35 per cent. Even the equipment most necessary to the dairy industry—churns for example—is very heavily taxed. When the four cents a pound could be of any use to the Canadian farmer to penalize the urban dweller for purchasing Australian butter the government promptly removed that duty. In my view this at once branded the administration as a capitalist government, favouring one class in particular and willing to sacrifice the whole dairy industry for the sake of the protected manufacturers. The government left the duty as high as 35 per cent on many of the supplies required by the dairyman.

Not only does this inequality and injustice exist, but the treaty itself facilitates the landing of agricultural products on our shores to compete with our own producers. So much is this the case that in the comparative short haul, say, from the prairies to Vancouver, our railways declare that they cannot meet the competition of ocean transportation all the way from Australia to Vancouver. So after tying up our farmers by trade restrictions for the benefit of our manufacturers, we see these protectionists in their selfishness gloating over the fact that they have got the dairymen squirming in agony under this injustice. Some years ago Goldwin Smith in his book, Canada and the Canadian Question, used these words:

> What corruption can be more pestilential or more dangerous to the commonwealth than the surrender of the commercial policy of the country to private interests in return for the support of their money in elections?

I cannot interpret the terms of the Australian treaty in any other light than that described by Goldwin Smith. He made his comment on the statement of Tilley who, speaking in the House of Commons in 1879, said:

> We have invited gentlemen from all parts of the Dominion to assist us in the readjustment of the tariff, because we did not feel that we were prepared without advice and assistance from men of experience to readjust and make a judicious tariff.

The provisions of the Australian treaty were never made by disinterested statesmen, but were dictated by men interested in paper, in automobiles and other commodities who desired priority in the Australian market. I think the words of Goldwin Smith are as true to-day as when he wrote them, and I cannot look on these features of our protective system in any other light than that they always involve a bargain.

. Now, let me discuss this treaty a little further just to show the callousness exhibited by those who negotiated it towards the workers in general of this country in regard more particularly to raisins and currants, which are very necessary articles of food. On those fruits to-day the duty is as high as 43.46 per cent. We import over forty million pounds of raisins and currants per year, yet they carry about the highest rate of duty of anything in the tariff schedules. But the strange thing about it is that our government, for the sake of a small class in the country, the manufacturers of certain articles getting an advantage in the Australian market, has laid the whole consuming public of Canada under tribute. Why? Will any protectionist say that it is benefitting the nation for its housekeepers to pay $143.46 for $100 worth of goods? It is the height of folly, whether committed by statesmen or lunatics, to increase the burden on our own people when negotiating a trade treaty.

Mr. GARLAND (Bow River): Would the hon. gentleman make clear the difference between them?

An hon. MEMBER: Order!

Mr. EVANS: The economic research department of the Canadian Council of Agriculture made an investigation respecting the effect of the increased duty on raisins at the port of entry, and they found that the increase of two and one-third cents totals to the consumer nearly five cents a pound. This agrees with the statement by Mr. Trent of the Bread and Cake Makers' Association. Now, forty million pounds at five cents a pound totals $2,000,000, or about $2.20 for every family in the Dominion. And all this to give an advantage to one class!

Having studied the tariff question for a long time, I am more convinced to-day than ever that all advantages given to any class of persons by this means always involve a bargain. Sir Wilfrid Laurier, whose name is still eulogized by many in this house, called the tariff system, "The mother of corruption." I think those words apply to-day as truly as when uttered by that great Liberal leader. I see no reason for the government any longer to put off dealing with the tariff. While I never could see much good in a tariff advisory board, I must confess that the present one has been instrumental in showing to the public the utter absurdity of maintaining a tariff at all on very many of our products, particularly on the necessaries of life and the implements of production. I predict that the new leader of the Conservative party (Mr. Bennett) will have a stupendous task to reconcile the arguments of the protectionists for a higher tariff with a consistent line of action for himself and his party. The hon. leader of the opposition is in favour of dealing with Britain in preference to any other country. I gather that from his Toronto speech last November. His words were:

> Has England helped the world? How can I help England? We can trade with England, and we should trade with her in preference to any other country.

In the brief presented to the tariff board by the cotton manufacturers there appears the following sentence:

> As between British and American imports into Canada to-day the Canadian cotton industry needs a higher protection from Great Britain on these fabrics on which manufacturing cost is relatively high than it does from the United States.

Not only would they abolish the preference given to Britain but they want to raise the tariff higher than it is against the United States. Not only are they not satisfied with a preference in favour of Great Britain but they want to have a duty against the motherland higher than the rate levied against the United States.

The one argument for protection has always been employment for the wage earners, but the tariff in many cases not only lowers the standard of living for the working man but actually fleeces the consumer in general so as materially to diminish the volume of labour and compel our workmen to seek employment in other countries. Whenever the consumer is charged an unduly high price for any article the purchasing power of the public is correspondingly lowered, and the labour market is always affected to that extent. No protectionist can get away from that fact. Let me give a concrete case to illustrate the point: We will take sugar with the duty as it stands to-day. I select this article as one concentrated on by the research department of the United Farmers of Saskatchewan. There is a duty on Cuban sugar entering Canada of $1.89 per hundredweight, and despite that heavy duty we find that the tendency is to some extent to keep down the price of the refined article in this country. We refined in Canada for domestic use in 1926, roughly, 800,000,000 pounds of sugar. Now the refiners, in the brief they submitted to the tariff board, showed that Canadian prices ranged from 55 to 65 cents per hundredweight above American prices. We should be quite safe in taking 60 cents as the mean. If we multiply that by our sugar consumption we have at least $4,500,000 as the sum we pay above American prices for the amount of

sugar we use. In the same year the total wages paid by all refiners of Canadian sugar amounted to $2,897,109. If we deduct one-eighth of that sum on account of the 100,000,000 pounds exported there is left $2,533,000 as wages paid in the refining of sugar consumed in Canada; and adding to wages the salaries paid the total is $3,460,000, or approximately $1,100,000 less than the extra cost to the people of Canada for the sugar they are using to-day. This is the result of the operation of our tariff. This was brought out before the tariff board, and surely a government which calls itself a Liberal and low tariff government, as declared by the Minister of Railways (Mr. Dunning) on the authority of the Minister of Finance (Mr. Robb) last year, and in accordance with the principles embodied in the platform of 1919, cannot allow an incident of this kind to exist any longer than it will take them to deal with it at this session of parliament. Just fancy. In this case we could pension off all the men engaged in the sugar refining industry in Canada and save $1,100,000 if we bought our supplies abroad. Surely the government cannot countenance such an incongruity as that which now exists in our trade policy.

Before I conclude I want to say a word regarding immigration. The leader of the opposition (Mr. Bennett) wants to have more people in the country, and from one end of the Dominion to the other, apparently, all urban interests are calling for a vigorous policy of immigration. Why? What is the purpose of this demand? Why the present craze for more people? In the cities of the west this winter many have sought shelter in the goals of the country in order to be fed and to be kept warm. The leader of the opposition himself stresses the fact of unemployment when he states that Manitoba to-day is seeking help from the Dominion government to feed its unemployed. He says:

> If you will look at the young, vigorous men who are employed in shovelling snow in this city—

That is, Ottawa.

> —you will realise the lack of employment that prevails in Canada.

I quote that from page 14 of Hansard. At page 21 the hon. member is reported as follows:

> It is high time that something be done to put the power of parliament unitedly behind an effort to bring people over and settle them in this country.

What does he mean?

Mr. COOTE: Maybe he is expecting more snow.

Mr. EVANS: He goes on:

> We cannot continue as we are and maintain our present position very long.

Putting the two statements together, what are we to make of them? What do they mean? And what does the same man mean by putting forward two such views? I am at a loss to understand it. This, however, is a sample of the illogical utterances on immigration which we are hearing throughout the country. Last summer—and in the summer employment is at its height—we had to go on our knees to Uncle Sam and beg him to allow 4,000 of our men to cross the border daily in order to get a day's wages on which to live. It seems to me it would have been better for our immigration department to send our immigration officers to Windsor and other border cities and, by offering the same inducements as we are holding out to foreigners, persuade many of these people who were going over into the United States to go on the land. Instead of that we had to appeal to Uncle Sam to permit our men to cross the line to obtain a day's wages. The United States agreed to certain conditions, that those who were Canadian-born might cross daily to work for their daily wage, but that this number must be deducted from the quota allotted by the United States to Great Britain this year. So those gentlemen who boast and have boasted of a monopoly of patriotism will accept this favour at the hands of Uncle Sam at the expense of Great Britain, knowing the terrible unemployment problem existing there to-day. Is it reasonable? It certainly is not.

The excuse given for immigration is land settlement, but those who are interested in immigration are those who like to see a hungry crowd around their factory doors every day. Those are the only people who are benefiting to-day by immigration, and I can see no other purpose in a vigorous policy of immigration than to lower the cost of labour and consequently lower the wages of the working men in our cities; I can come to no other conclusion. Those are the men advocating immigration; they are the ones who want raw material for their own factories brought in free, but the policy followed in land settlement is to penalize the primary producer in the prices of his tools and necessary supplies. If land settlement is the object, Mr. Speaker, I want to say that all we have to do is give the man on the land a square deal. If the policy followed in respect of urban industries were followed with regard to agriculture, all our waste places within reach of every railway would be occupied to-day. Then there would be no need of the

despairing cry of the leader of the opposition, as reported on page 22 of Hansard in these words:

> Now, sir, this question transcends party; it is larger than the lives of parties because it strikes at the very life of this Dominion. We must have settlers.

Another feature I would like to mention in connection with immigration is this: If we decide on a policy of immigration the government should engage in this work itself; it should not be given into the hands of railway companies or even religious bodies. It should not be dealt with by private concerns of any kind. If immigration is needed we should have a definite policy to follow, and the government should carry out that policy. In the return to an order of the house dated February 24, 1927, it was shown that 29 clergymen of the Roman Catholic church were in the employ of the government in immigration work. This has caused a great deal of ill-feeling and comment of a caustic nature throughout the country. There is no need for it, because this is work which should be done by the government. If immigration is needed at all it is a work which rightly belongs to the government. In the past we have seen private companies importing men for their own work; I mention the British Empire Steel Corporation as an example; they have done it more than once, to the detriment of the men themselves and to the embarrassment of this government. I believe our immigration policy to-day should be to let in those who wish to come, if they are from the nations of which we approve and if they are mentally and physically sound. We do not need to spend money by the millions of dollars on any immigration scheme.

These are some of the things which I wish to bring before the government before their policy is laid down in the estimates and the budget, and I hope that in the discussion of these questions it will be understood that I am not looking at these problems from a local standpoint but from the viewpoint of the welfare of the whole nation.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, I very much regret that in the speech from the throne the country has very little with which to be either disappointed or satisfied, because the speech from the throne deals with nothing. It refers to nothing except evasions, postponements and references to this commission and to that court. One of the essentials of a speech from the throne is to give the representatives of the people in parliament an opportunity to lay before the house and the government some of the economic ills prevailing in the country from coast to coast, but in looking over this speech from the throne it will be seen that it deals very largely with platitudes; it contains an apology here and an excuse there, an evasion here and an "if" there; it does everything but make some adequate attempt to solve the many great economic problems from which the workers of this country are suffering to-day.

It says nothing at all about the three greatest problems confronting the British Empire at present; I refer to trade, defence and migration. It ignores the whole problem of marketing, both domestic and empire. We have been sending delegates to the old land constantly; almost every train and boat overseas takes a cargo of them, but they fail to do anything to solve imperial problems—or to give effect to the findings of the empire marketing board. It is no wonder that Australia and New Zealand are doing all the window dressing in the old land in relation to trade and migration, and they are to-day getting the cream of the emigrants.

The first corner stone in an immigration policy is to keep the people we already have here and to stop the exodus, but the speech from the throne ignores that entirely. The second essential is to provide work for Canadians at present in this country, but nothing is done to attain that end either. Parliament has been summoned here for the purpose of improving conditions, but the members might better have stayed home so far as the program presented by the government is concerned. In my opinion the government have shown themselves incapable of bringing forward any legislation which will help solve these problems and relieve conditions which exist all over the country. There is no relief for any of the provinces; there is no adequate protection for industry; there is no social legislation in the way of an adequate and up-to-date pension scheme or some system of unemployed insurance; there is no legislation to check the rush of our raw materials to the United States in the crude or semi-crude state, and there has been nothing done to prevent the dumping of cheap, shoddy European and American goods into the larger centres of population.

The results of all these difficulties are to be seen everywhere in closed factories and unemployment. We have no legislation presented which is designed to benefit the maritime provinces, the prairie provinces or those provinces at the extreme west; the speech from the throne deals with nothing and will amount to nothing so far as the good of the country is concerned. It simply shows that we have

a government to-day which is absolutely incapable of taking up these problems and offering any reasonable solution for them.

When all this tumult and shouting of the opening of parliament dies, what will the harvest be? What has parliament been called for? Is it called just to listen to the sounding of trumpets and the booming of guns while unemployment is rampant in the city from which I come? Notwithstanding what this government or the provincial government has said, the provincial government never at any time made a survey of the unemployment situation in the province or city which I have the honour to represent. The speech from the throne refers this problem to an endless conference so that it will go around in the same circle as we had a year ago in connection with the coal problem. To this conference or court or commission is referred the question of the resources of Alberta, another economic question, and the question of the St. Lawrence waterway. To another commission has been referred two or three other matters in the report.

The government state: We have nothing to do with unemployment; all that we have to do with unemployment is to launch a great basic industry in the city of Ottawa known as the ambassador cure for unemployment. We have gained a seat at Tokyo, Japan, and when the nominee goes over there, would that Canada had a Gilbert and Sullivan to set to song and verse the burlesque of the sending of that so-called ambassador to Tokyo, Japan, and other capitals. A government that has abandoned the Japanese alliance treaty for the protection of British interests in the Pacific, a government that has refused to give a dollar for the Singapore base, has the temerity now to come before parliament and continue a so-called ambassador cure for unemployment by sending an ambassador to Tokyo. Why not send ambassadors to Italy, China, Germany, Constantinople, Pekin all the capitals bordering on the seven seas?

This government have stated that they have nothing to do with unemployment; that under the British North America Act unemployment is for the provinces and municipalities. We say to the government that unemployment is a matter for the federal government under section 91 of the British North America Act. They are in charge of the tariff, the banking laws, the transportation laws, the immigration laws of the country and for the exodus of Canadians from Canada; and the blame for the present condition of unemployment rests on the federal government. Instead of the government dealing with this problem, they say nothing about it in the speech from the throne. They are not ready to go as far as they did years ago when they were prepared to pay one-third of the cost of unemployment relief, the provinces and municipalities to pay the rest of the cost. It is all very well for them to make a football out of it. The responsibility is with the Dominion government of the day to see that the people of Canada do not suffer, to see that some remedial legislation is introduced into the house. I regret to observe, however, that no such amendment for the benefit of the worker has been mentioned in the speech. Parliament has often legislated for the benefit of the trusts and combines, the bankers' association, the railways and others, but when it comes down to a question of doing something for the unemployed in the urban centres of population, the government is content with a policy of drift, and will do nothing to try to remove the burden from the working classes of this country. The first duty of a government is to look after the health and condition of its people.

Apparently all the government can do to relieve unemployment is to give a lot of politicians jobs as ambassadors in Berlin, in Pekin, in Constantinople and in all the other capitals of the countries washed by the seven seas.

A few favorite Canadians are to be appointed ambassadors at the public expense, while other Canadians have to go as ambassadors at their own expense to search in a foreign land for the jobs that they cannot find in their own country. Many of them returned men who fought for Canada in the great war, at the hazard of their lives.

The great industrial system of the United States was built up on the principle of protection and solved unemployment. In the days of Horace Greeley opportunities for employment in the United States were threatened by imports from Europe. To-day opportunities for employment in Canada are threatened by imports from the United States. The United States did not require the founders of American industry to go before a tariff commission to persuade the commissioners that the tariff should be so changed that their industries would be able to employ Americans in their own country instead of driving them to seek employment in foreign lands. Nero never fiddled while Rome burned the way this government is fiddling in appointing a tariff commission to solve the economic problems of this country. The tariff is not a party question, it is a

matter of economics that concerns our farmers and toilers in the various centres of population. But instead of announcing in the speech from the throne some measure of protection and safeguarding legislation that would solve our economic ills, nothing is being done by the government to relieve our unemployed who are asking for a job that they may get bread. Many industries are closed up altogether, others are working only 50 per cent, and even the great agricultural industry of the west is suffering.

Under the present government the question of unemployment has been made a political football between the federal government and the provinces. The Prime Minister referred to a statement made by Mr. Ferguson the other day in reply to York township's application for help re unemployment. I have been through Mount Dennis and Silverthorn and other places in West York, and there is much suffering and unemployment and returned men there are receiving $25 a week in some of the sweat shops for two weeks' work, and girls working for $8 for two weeks' work. The unemployment situation is so bad in the city of Toronto that they have had to open up the police stations at night in the centre of the city. Last night dozens of men were brought in and slept in the stations. Let me read one front page advertisement in the late editions of the evening papers of last Saturday:

> Major Ord, D.S.O, secretary of the poppy day fund reports a large number able-bodied, willing-to-work veterans with families without a job this winter. He is appealing especially just now for clothes for men, including socks, underclothing, boots, overcoats, trousers and coats. Kind people who have cast-off clothing to give should telephone Hill 2404 or 2290.

They had to pass the hat around on Armistice day; a tag day is necessary for the relief of unemployed soldiers who fought the battles of Canada in Flanders and France. It will not be necessary to have a tag day to raise $500,000 plus $140,000 to maintain Mr. Massey and his retinue at Washington and a minister at Tokyo or a tag day for the upkeep of Canada House and Mr. Larkin in London. It is a humiliating position for the people of this country to be in that we have to have a tag day and beg money for the men who fought the battles of this country in Flanders and France, and this is very largely due to the fact that the economic and soldier policy of Canada is all wrong and should be changed. Therefore I regret that in the speech from the throne the government has failed to bring down any measure of relief to prevent the dumping of foreign goods, to stop the exportation of raw material, to give an adequate tariff that will solve all the economic ills of every province in confederation and bring about a united and happy Canada, stopping the exodus of our people to the United States and reducing unemployment.

It is all very well for Mr. Ferguson to say that there has been no unemployment. He has been very happy in finding employment for a gentleman from New York, Mr. Grautstein, who has been presented with the title deeds to the Ottawa valley and the Gatineau, and he has extended rights and privileges to Mr. Backus, another American millionaire, in the northwest part of new Ontario. The Drury government gave Backus a principality of timber. Another government has come along and given him extended resources and water-power rights, so that while Sir Adam Beck has been dead for only a few years, his whole life work has been destroyed in the Gatineau contract and others. Certainly there is no unemployment for these American millionaires and others who cross over the border and find Canada a most happy hunting ground and seize the title deeds to the water powers and the mineral wealth of that great northwestern country. He who has the water power rights holds the key to the development of a district.

What was done at the provincial conference with regard to unemployment? Thousands of dollars of the taxpayers' money was spent to bring those people together, but nothing was done except to make a political football of the question, and nothing was done to take the responsibility for unemployment off the shoulders of the municipalities that are being taxed to death by both federal and provincial government. As Professor Fay, of the university of Toronto, said, the returns published by the Bureau of Statistics and the figures published by the Labour department are not reliable. I cannot get a reply from the present Minister of Labour (Mr. Heenan) to a petition sent to me by men from West York who complain of the non-enforcement of the Alien Labour Act in the bringing in of forty men from the southern states to work in the constituency of West York as nurserymen in the market gardens of that riding. I sent a petition to the minister; I have written him five or six times, but I cannot get a reply either from the deputy or the minister himself. The minister is a deep sea diver and no doubt he has taken the Alien Labour Act down with him to the bottom of the sea. When it comes down to doing something for the poor unemployed and the working class of this country, the government is content

to pursue a policy of drift and do nothing to remove the burdens of the working men. The first duty of a government is to consider the health, happiness and prosperity of all classes of its citizens, but apparently all that this government can do to relieve unemployment is to give a lot of politicians jobs as ambassadors abroad. A few favoured Canadians have been appointed ambassadors at public expense, while other Canadians to the number of six hundred thousand are sent across to the United States as ambassadors looking for a job in a foreign land. They are not treated as is His Excellency down in Washington, where everybody is going down to see him in his wonderful uniform and three-cornered hat, with his glittering sword. These other six hundred thousand Canadians are sent to a foreign land to look for a job which they cannot find here, and many of them fought even unto death for the liberties of this country, but they have been driven out of Canada by the economic policy of this government. When the working men of this country ask this government for bread, all they are offered is a stone by the platitudes and high-sounding and empty phrases in the speech from the throne. Many industries in my own city have been closed up altogether and others are working only fifty per cent of the time under the policy of this government. The policy of this government is a policy of enmity to the production of jobs for Canadians. That great industry that manufactures jobs and embassies for worn-out politicians will not make Canada a nation. The working out of that policy will make Canada a nation of ambassadors.

I want to say a word about the status of Canada. When Canada is in trouble or war threatens we always 'phone for the British fleet. When Canada was in trouble on the great lakes, our mariners had to sound their sirens morning, noon and night for American life-saving boats to come to their rescue.

I am a good Canadian nationalist because I am a true British imperialist. The sense of Canada's nationalism increases and multiplies through our love of British unity. The true Canadian nationalist will not want to see this country a dead beat on the taxpayers of the British Isles for the upkeep of battle cruisers and a navy to maintain the safety of Canadian shores and for the protection of Canada's commerce on the high seas. The true Canadian nationalist will not want to see Canada a nation only in the advertising pages of American journals. As a nation we are a pauper so far as the actual reality goes.

The three greatest problems of empire are trade, defence and migration, but there is not one word in the speech from the throne about empire trade, defence, immigration or the empire marketing board. The empire marketing board has found that only twenty-five per cent of the fruit used in the motherland was produced in the British Empire. The true Canadian nationalist does not want to see Canada a nation just on the advertising pages of American journals; he wants something in real life. Canada is a nation all right, yes, at five o'clock pink teas at Washington and ten o'clock dinners at Washington. Canada is a nation so far as that goes, a nation such as the Irish Free State or Patagonia or Bogota and every petty country on the earth—we are a nation in the same sense that they are. We have a contemptible little navy which hugs the shores, never leaves our coasts, and for the past year has been locked up in a garage at Halifax. That is the proper place, in my opinion, a most suitable place and lockup, for any change in the status of Canada. It takes more than embassies and Vincent Masseys and P. C. Larkins to make a nation; it takes more than pink teas and ten o'clock dinners at Washington to make Canada a nation. I remember reading in history that Henry VIII threatened the Lord Mayor and council of London that he would remove the seat of government from their city. The Lord Mayor fell on his knees and asked, "Will Your Majesty also remove the Thames?" An American politician to whom I listened, a Republican, boasted that his party had made the United States a nation. He boasted to such an extent that he almost gave credit to his party for the broad rivers and fertile fields of the American west. I may say that I do not know whether the American west owes its broad rivers and fertile fields to the party in power, but I do know that the United States owes its greatness to the broad rivers and fertile fields in the west. The people whom I have the honour to represent have no more pride in the nation-builders of their own party than I have in the nation builders of the party opposite. I have no use for the nation building that Sir Robert Borden, the Hon. Wesley Rowell, and the other oracles of Union government pretended to do at Versailles, dividing Britain's representation at Versailles and at Washington. I have no use for the nation wrecking separatism of Sir Robert Borden's proposal to establish a Canadian embassy at Washington. That embassy is not now and never will be anything in the nature of a centre of service for the good of Canada. The embassy at Washington is a sink hole, and the Canadian high commissioner's office at Lon-

don is not much better. These embassies, or sink holes, as I call them, will be duplicated all over the earth by this government. When the seed planted by Sir Robert Borden's and the Right Hon. Mr. Mackenzie King's separatist embassy at Washington has reached maturity, what, oh what, will the harvest be? The harvest will be reaped by the taxpayers of Canada. That harvest will not be in the form of crops that will give an increased profit to the farmers of this country or fill their barns, but it will be in the form of taxes that will empty their pockets. Canada will then be spending two or three million dollars per annum in interest and debt charges on embassy buildings and on the salaries and upkeep of useless Canadian ambassadors, and still more useless staffs of clerks. Canada must spend two or three million dollars per annum in order to prove that we are in an academic way a nation, a nation without a navy or an army.

Never in the entire history of Canada has she at any time been able to defend herself. We are a nation only in a mythical and academic sense. If this was a mock parliament, the speech from the throne would be fitting and all right. I remember the prime minister who leads this house help in preparing a speech from the throne for the university of Toronto students, in mock parliament assembled, and it contained far better ideas of essential measures for solving the economic problems of this country than does the present speech from the throne. A nation is not known by the number of ambassadors it keeps. Canada owes it to the god of nations that Canada became a nation the day a Canadian keel first parted the waters of our mighty rivers and great lakes. Canada is a nation unsurpassed in the present day and unapproached in history in the magnitude of its coastline and the might of its navigable waters. Canada has a coast line of nearly 2,000 miles from the gulf of St. Lawrence to the international boundary where lake Superior ceases to be British waters and becomes a coast water of the United States. I could not get much information from the wonderful labour and statistics bureau. The bureau tells us there is no unemployment, but they could not tell me how many sailors were on the great lakes or how many boats or equipment of any kind.

Canada has a lake marine of 300 vessels with a tonnage of one and a half million. Canada has 5,000 sailors and merchant seamen going down to the great lakes in ships and doing business in the great waters of an inland ocean. Canada has a government asleep at Ottawa that chatters about the new status of Canada. Canada is so much of a nation that Canada's national God-save-the-King government must be opening embassies wherever there is some political favourite to be placed in an easy job. Three years ago I raised the question of life saving on the great lakes; I pointed out that there were not life saving crews on those lakes and no craft or equipment. Hon. gentlemen will remember that cold December when many of our brave seamen perished in the great storm on the great lakes. Canada has a government which is asleep at Ottawa, but we find them sometimes chattering about the new status of Canada. Canada is so much of a nation that the separatist policies created by Sir Robert Borden and continued by the government headed by the right hon. member from Prince Albert will force the taxpayers of this country to pay not less than $3,000,000 per annum in the upkeep of embassies and the salaries of ambassadors and clerks of embassies. Canada is so little of a nation that there is not a decent life saving station on the coast line of Canada's lakes and rivers from Cornwall to beyond Fort William, except at Toronto where the splendid life saving station is maintained entirely by the patriotic taxpayers of my own city. The Canadians assembled in this House of Commons should blush to follow a government that calls itself a national government and leaves the many thousands of brave lake sailors, as fine a type of men as ever breathed a breath of life, deserted by their own country in their hour of need.

The grain growers of the west and the banks and industries and commerce of the east should be ashamed of this country's callous neglect of Canada's lake sailors. The mother country produced a great Liberal between 1870 and 1880, Samuel Plimsoll, M.P., who directed his efforts against what was known as coffin ships, and who forced legislation to provide for seaworthy ships and life saving aids and help to navigation. Plimsoll, a great Liberal, whose liberalism was of the true and genuine variety, unknown in this country except in the ranks of the hydro-Conservative party in Ontario, fought the hard battles of British sailors who were being sent to death in overloaded cotton ships. The Conservative government of Britain had promised legislation, and when it was proposed that parliament should take recess without bringing down the bill demanded by Samuel Plimsoll, Plimsoll stood up in the British House of Commons and told the ministers of His Majesty's government that they were a set of murderers. Mr. Plimsoll emphasized his sentiment with

oaths. There was a parliamentary scandal, but that great hearted and true Tory democrat and progressive conservative Benjamin Disraeli took the situation into his own hands and to-day the Plimsoll mark of seaworthiness is on the hull of every British ship. There is no Plimsoll in the House of Commons here, and perhaps there is no public opinion to enable a man to do Plimsoll's work if he tried. There is no leader among the hon. gentlemen opposite who has as much true and genuine liberalism in his whole body as Benjamin Disraeli had in his little finger. I hope the hon. member for Calgary (Mr. Bennett) will be spared to prove that here is at last a Disraeli in the camp of the Conservative party. We all honour our leader, with his colourful personality, his enthusiasm, and his warm human sympathy for the under-dog, and I predict for him a great victory in the country. You may have all the organizations and all the money you like, but if you have not public opinion with you all the organizations in the world will avail nothing in an election contest. All these hon. gentlemen opposite profess to have changed Canada's status. Canada is not a nation but a colony in the kingdom of mammon on the great lakes to-day as Canada was a colony in the kingdom of mammon on the great lakes in 1867.

The grain growers of the west whose crop is being conveyed by the sailors on the lakes care not a hoot what becomes of these great sailors. The signs of nationality are in the souls of these brave men, the great sailors of the great lakes who carry the grain crop. They go out in the winter storms so that the grain growers of the west may save a few cents a bushel on the price of their wheat, or that the banks and corporations of the west may increase their dividends—and what has been done for the sailors of the great lakes? Nothing. If their vessel runs on a rock in the darkness and storm of a December night, it can stay there until that ship of the Canadian nation, flying the national flag of Canada, is pulled off the rock by a steam tug operated by the American life saving service and coast guard.

I congratulate the flock of Liberals in this house. There is one solid block of Liberal members who ought to be proud to follow the belling of such a party, to support such leaders as hon. gentlemen opposite have shown themselves to be in their dealings with the great sailors of the great Canadian lakes. I refer to the hon. members for the maritime constituencies of East and West Lambton, North and South Huron, East Essex, North and South Bruce, North and South Grey and East Algoma. Here are ten constituencies in which the sailors of the great lakes have their homes. These constituencies have elected ten Liberal members. These ten members have supported a Liberal government. That government has made Canada a nation, they say—yea, a nation. Why, a crown colony—yes, the irresponsible ruler of a crown colony—would be ashamed to offer the brave merchant sailors of that crown colony the treatment that this government and the opposite party—and my own party for that matter; it was not very much better—has dealt out to the merchant sailors of the Canadian nation.

The politicians of the Liberal party have long put away Canada's status as a colony. They have loaded Canada's payroll with ambassadors. There is not a life saver on the payroll. Their Canadian embassies are to be on the stately avenues of all foreign capitals. There are no life saving stations on the shores of the great lakes. The Toronto Star, the Winnipeg Free Press, the John S. Ewart and, yes, the Hon. W. L. M. King type of Canadian nationalist believes that when Canada's safety is in peril of war the Canadian nation should ring up the British navy. These mythical nationalists, when Canada's freighters are in danger in peace, are content to have the captain of the doomed vessel whistle for help from a United States life saving crew.

The closing days and nights of navigation in the season of 1927 recorded a great story of unbroken fortitude and of unshaken endurance which proved that our countrymen, the sailors on the decks of those doomed vessels, were blood brothers of the soldiers who brought glory to Canada at St. Julien, the soldiers who could not be blown off the ground they gained at Passchendaele, who climbed the heights of Vimy Ridge, who gained the victory at Amiens and many another field of glory, men whose names will forever thrill every true Canadian. These sailors struggled or waited hour after hour; if help came to them it was help organized by the valiant hearts and strong bodies of their own country, or if help came it was help bought and paid for by the taxes of the people of the United States. That is Canadian nationality for you. The struggle was a story of glory for Canada's sailors. The struggle was a story of shame for Canada's politicians. The tragedies of the great lakes in the closing hours of navigation last season showed in its true colours the stuff that Canadian nationalism is made of. The Winnipeg Free Press, Toronto Star, John S. Ewart liberal variety of nationality is the nationality

that writes and talks and chatters at banquets and refuses to pay under the terms of that nationality.

Canada is a proud and haughty nation. It sends its merchant ships into the winter storms with nothing to do but whistle for a United States service tug when the ship is in danger and to fill the air with the distress signals of a siren with the hope that a United States life saving vessel will put to sea and save the lives of Canadian sailors. Canada, a nation, and in trouble, has a navy maintained at the expense of the old country taxpayer to guard the safety of Canada's shores in war.

I would like to see some immediate action taken as to prison reform, and a special committee should take it up. I find that sixty-four youths of sixteen years of age are in Canadian penal institutions. Are we yet living in a stone age? Canada needs a new broom and reform to restore these men in peace as the Red Cross saved a wastage of men in war. We are away behind the times, and a searching inquiry is long overdue. Grand juries should visit these institutions and make rigid, impartial investigations.

I am surprised, Mr. Speaker, that there is no mention in the speech from the throne of any additional legislation for the further relief of Home bank depositors, many of whom are to-day languishing in charitable institutions. In my opinion there should be no more mergers of our chartered banks without the consent of parliament. A large part of the stock of those banks is now held in the United States. The prices of our bank stocks have been going up steadily, and with so many United States stockholders it would be found impossible in the case of another bank failure to collect the double liability from these stockholders, for they have no property within the jurisdiction of the Canadian courts.

I am sorry to see that the Civil Service Act has been practically abolished. The Post Office Department to-day is run by patronage, even for special, temporary help at Christmas time. The same condition of affairs obtains in the Customs department. We would yet have the old order of affairs in this department and in the administration of the affairs of the Customs department to-day had it not been that the Conservative party, particularly through the instrumentality of the hon. member for Vancouver Centre (Mr. Stevens) forced a house cleaning? Why, the customs commission has spent half a million dollars on judges and lawyers' fees, but it has found out nothing that was not uncovered by the Customs committee of this house—except that the landing

men and other customs employees should be appointed, not by the Civil Service Commission but by the government of the day. Truly, it is a wonderful report on nothing not already known before they started.

But the Department of Soldiers' Civil Re-establishment is in a worse position still; there it is all patronage. If there is one department that should be free of politics it is the Department of Soldiers' Civil Re-establishment. But what has happened? The minister has shown his determination to put the Liberal party on the map and the returned soldier off the map. For instance part of the staff of the Christie street hospital have been fired. Why? Apparently simply because they were foolish enough to go to the front and fight for their country. As to the minister himself, he is simply an absentee landlord, and patronage runs the department.

Then I come to the Department of National Defence. The minister of this department is also actively engaged in putting the Liberal party on the map, and the returned men off the map. I suppose he intends to unlock the door of the garage at Halifax and let our navy run up and down the coast. But really I hope he will not send the boat out to sea, and certainly I should not like to see the minister himself venture aboard for I am afraid it is not a seaworthy craft. This navy is to be replaced by two destroyers which are to be built in England. I wonder he has not gone to a German or a United States shipyard, because the very pens and pencils used in this house, the keys of your office, your desk, your post office locker, are of foreign manufacture—made in the United States. Even the atlas which is sent out by the Immigration and Trade and Commerce departments is printed in the United States. And then the government talks about unemployment! But this proposal to secure two new destroyers from England is a contemptible payment for our maritime protection. I was very much amused at the activity of our first sea lord and admiral of the fleet during the recess. He has been going up and down the country and visiting various centres to help Liberalism, but his fleet has been lost or stolen or has strayed away. I should like to find out who is to be the admiral of the proposed new fleet. I would suggest the hon. member for Lunenburg (Mr. Duff). I think he would make a most excellent and popular admiral of the new fleet.

I have referred to the Minister of Soldiers Civil Re-establishment as an "absentee landlord". But he is not the only wanderer. We have seen the various members of the cabinet taking Cook's tours, some going to England,

others to the United States, and one to Australia. We used to have one or two Cook's tourists in our party, but they were not in it with hon. gentlemen opposite in their restless desire to sail the seven seas.

Now, Mr. Speaker, I think I have talked—and also thought—for nearly forty minutes. Not every member can think for that period of time. But I have only dealt with the fringe of my subject. I am not supposed to be the leader but I have said more than the Prime Minister uttered during the three and a half hours that he held the floor. Let me say that I can find no suggestion in the address and no promise of any plan for solving the economic ills which now confront the Dominion. The speech from the throne written by the right hon. gentleman who leads the government to-day might well have been delivered to a mock parliament at the university. I do not care to continue the debate, Mr. Speaker, because I understand we have a function to attend in the other chamber.

On motion of Mr. Garland (Bow River) the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 5.45 p.m.

Thursday, February 2, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 14, to incorporate Niagara Falls Memorial Bridge Company.—Mr. Pettit.

Bill No. 15, respecting certain patent application of William H. Millspaugh.—Mr. Jacobs.

Bill No. 16, respecting certain patent applications owned by the British Steel Piling Company, Limited.—Mr. Jacobs.

Bill No. 17, respecting the Saint John River Storage Company.—Sir Eugene Fiset.

Bill No. 18, respecting a certain patent owned by Canadian Cinch Anchoring System, Limited.—Mr. Jacobs.

CUSTOMS INQUIRY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister): For obvious reasons I have had placed on the table in advance the evidence taken before the Royal Commission on Customs and Excise. I hope the house will pardon me for not having attempted personally to table the volumes of evidence now tabled. I desire to lay on the table also the ten interim reports of the Royal Commission on Customs and Excise. With respect to the interim reports I move, seconded by the Minister of Justice (Mr. Lapointe), that twelve hundred copies in English and four hundred copies in French be printed forthwith and that standing order No. 64 be suspended in relation thereto.

Motion agreed to.

PUBLIC ACCOUNTS

Hon. J. A. ROBB (Minister of Finance): In tabling now a copy of the public accounts may I direct the attention of hon. members and of the press as well to page XIV. In order to secure an independent audit of the balance sheet the treasury board instructed Messrs. P. S. Ross & Sons, of Montreal, Toronto and Winnipeg, to perform the task and their certificate will be found on the page indicated.

NATURALIZATION ACT AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 19, to amend the Naturalization Act.

He said: This bill is the same as the one introduced last year proposing certain changes in the Naturalization Act in the way of simplifying the procedure whereby naturalization certificates may be obtained.

Motion agreed to and bill read the first time.

DEATH OF EARL HAIG

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yesterday the hon. member for Toronto Northwest (Mr. Church) asked whether it was the intention of the government to adjourn parliament during the funeral in the old country of the late Field Marshal Earl Haig. I am at present communicating to ascertain whether or not the British parliament would in such circumstances adjourn and if so we shall do likewise. If there would be no adjournment of the British parliament, there will be no adjournment here. Before the day is over I hope to be able to give a final word to members of the house. In the meantime, I might say that instructions have been given to have—at the time of the funeral in London— the flags flown at half mast on all public buildings in Canada as a token of national respect to the memory of the late Earl Haig.

FARMERS BANK LIQUIDATION

On the orders of the day:

Hon. J. A. ROBB (Minister of Finance): Yesterday, on the orders of the day the hon. member for Halton (Mr. Anderson) asked the following question:

I would like to ask the Minister of Finance whether the Farmers Bank has been definitely wound up and a financial statement received from the liquidator.

I promised to give the hon. member a reply to-day. This is the memorandum I have received from the department:

On December 20th, 1926, the liquidator G. T. Clarkson, received his discharge from the Supreme Court of Ontario, all assets of the Farmers Bank having been realized upon and accounted for.

Out of assets estimated in 1910 at $2,000,000 odd, the total amount collected by the liquidator was $1,372,829. This included $314,880 collected on account of double liability as against $584,500 capital subscribed.

After providing for note circulation 100 per cent and paying legal and liquidation costs, nothing was left for depositors, the total of whose claims was $1,134,036.

UNEMPLOYMENT IN NOVA SCOTIA COLLIERY DISTRICTS

On the orders of the day:

Mr. R. K. SMITH (Cumberland): I should like to draw the government's attention to the rather startling state of affairs in Nova Scotia in the matter of fuelling of Canadian government boats with American coal, as outlined in part by a telegram received by me this morning which reads as follows:

Halifax, N.S., February 2, 1928.

R. K. SMITH, M.P.,
Ottawa.

Unemployment in colliery districts. Glace Bay mines, only a few days' work each month. Startling fact that at present time in port of Halifax Canadian government boats being bunkered American coal. This has been going on since 1921. Within past forty-eight hours Lady Laurier and Arleux bunkered American fuel.

In view of the information contained in this telegram and considering the very serious unemployment situation among the miners in Nova Scotia, thousands being out of work and in destitute circumstances—

Mr. SPEAKER: I would ask the hon. gentleman not to argue the matter but simply to put a straight question.

Mr. SMITH (Cumberland): I would like to ask the government if they will take immediate steps to have this unpatriotic practice discontinued—

Mr. SPEAKER: Order.

[Mr. Mackenzie King.]

Mr. SMITH (Cumberland): —and also supply this house with an explanation as to why it has been countenanced.

Mr. SPEAKER: Notice should be given of such a question. No argument should be made on a question put on the orders of the day.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Wednesday, February 1, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, as I address myself to a brief discussion of the question introduced in this debate, one or two at least of which are not included in the speech from the throne, I feel at the outset that I should join with those who have preceded me in congratulating the hon. member who moved the address (Mr. Ilsley) and the hon. member who seconded it (Mr. Beaubien). I have no difficulty whatever in most sincerely doing so, as I rarely listened to so careful and eloquent a presentation of the motion as I did on that occasion. There is, however, a little curiosity raised in my mind. When I learned that the hon. member for Provencher (Mr. Beaubien) was to second the address, there immediately occurred to me a very fervid declaration of independence which I had heard from the leader of the Liberal Progressive party not so long ago in this house, and I naturally wondered if the independence had been sacrificed in order to permit the hon. member to second the address. Now I am not particularly critical of that at all, at the same time I think that an explanation might well be made, because if independence has not been sacrificed, then I submit that next year it would be quite in keeping that the hon. member for Comox-Alberni (Mr. Neill) should move the address and that the hon. member for Nelson (Mr. Bird) should second it. If on the other hand the independence has been sacrificed, then surely the house would be at least interested, if not excited, over the information. I might even picture a more extreme case than that. We might have, for example, the hon. member for Winnipeg North Centre (Mr. Woodsworth) moving the address, and the hon. member for Labelle (Mr. Bourassa) seconding it. I rather think, however, Mr. Speaker, that before either of these gentlemen would undertake that re-

sponsibility they would at least like to have something to say in the drafting of the address. I am not sure what part the Liberal Progressives did take in the drafting of the address; I hope very little, if any, because if they took any part in it, it does not do them much credit.

One point was raised by the mover of the address that I wish to refer to. He spoke in terms of adulation of prosperity—that was not unexpected. Any government, whether Conservative, Liberal or Farmer or anything else, at least allows it to be inferred that it is responsible for the prosperous condition, and those who toil for the country get very little share of the credit. In the course of his address he went on to speak of the amazing results achieved from the coking experiments of last year. I knew myself that no amazing results had been achieved, but after reading his remarks I desired to investigate the matter a little in case I had been mistaken, and I find that in the year that has passed since the coking legislation was enacted, only one contract, that with the Nova Scotia Power Company, has been entered into. Under the terms of the contract the total capital that will be invested in the plant is estimated at $160,000. The output naturally would be very, very low, and if the coal industry of Nova Scotia is going to depend upon such an extraordinary form of encouragement as that, with the result I have pictured, I am not surprised at the conditions which led to the question that has been asked by the hon. member for Cumberland (Mr. Smith). However, that is just in passing.

I regret, Mr. Speaker, that the speech made no reference to reductions in taxation. It is true, the Prime Minister at a later date remedied this neglect by intimating cautiously that he had no doubt the Minister of Finance would, at the proper time, on the budget, I presume, indicate to the house substantial reductions. I hope so. I congratulate the Prime Minister on being able to make the announcement. But let me utter a word of warning at this moment. My hon. friends to my right, following their convictions, urge that reductions be made on the sales and income tax. The reason is quite clear to everyone. The more reductions in the sales tax and the income tax, providing the necessity for revenue continues, the longer will be maintained the most objectionable of all forms of taxation, that of the customs tariff. I submit, therefore, if the Minister of Finance is going to be in the happy position of making any material reductions in taxation this year, that those who are associated with him, as well as those in this corner of the house, who have always cooperated with him on this particular point, certainly will join in expecting that the reductions will be in the right direction. We hope to see material moderation in the customs tax on many articles. Not a mere ticking of the cotton duty, nor a mere dallying with some other bit of duty here and there, but a fairly general reduction. I would not ask for a monstrous reduction all at once. I grant you it is not reasonable to throw in the face of the manufacturing class anything in the way of great embarrassment at one time; but there are many commodities to-day that are carrying an absolutely undue privilege at the expense of the common people. Now, all I ask is that in the reduction of taxation this year a large number of the more important commodities at least shall receive a measure of consideration from the administration in the reduction of indirect taxation.

So far as the appointment of ministers to Japan and France is concerned, I must most sincerely congratulate the government. I think both from the point of view of our national position and our international relations the step is one which can well be justified, particularly with respect to Japan. After all, Canada's future will to a large extent develop along the line of expansion in oriental trade and oriental activities. At the present time no continent is receiving greater attention from all the other continents of the world than the continent of Asia. I think it is high time that Canada, so close to that great continent, should have representatives there who will take care of Canadian interests and do all they can to develop the most favourable trade and pacific relations with oriental countries. However, in the Prime Minister's remarks in this connection he made, I think, a little slip, which I am sure at the moment was not intentional, but which unfortunately may to some extent result in criticism in the orient. As the Prime Minister himself no doubt is aware, oriental countries are particularly sensitive, especially in their dealings with occidental countries; and the Prime Minister intimated that the proposed ambassador to Japan would represent Canada's Asiatic interests—Asiatic interests. I understood the Prime Minister to say so.

Mr. MACKENZIE KING: I think my hon. friend will find that I did not use that expression. At least such was not the inference I wished to have drawn. What I was stressing to the house was that there would be

only one minister on the continent of Asia, one on the continent of Europe, and that I did not think in the matter of diplomatic appointments abroad that this was travelling at a very rapid pace. That is the point I was making. The proposed minister will be to Japan only.

Mr. GARLAND (Bow River): I understand that; but as the Prime Minister is aware Chinese sensibilities, as well as the sensibilities of other nations on that continent, are very easily offended, and it may be that they will resent the suggestion that the affairs of their country can be handled in any way, either in regard to diplomatic relations or otherwise, from Tokyo. I am glad the Prime Minister is in a position to persuade me that there was no such intention behind his statement.

With regard to the remarks of the leader of the opposition (Mr. Bennett), I regret that they were made. I regret it very sincerely because I am afraid that, again due to oriental sensibilities, even the nation of Japan may not now be willing to accept the kindly intentions of the Canadian government if it finds that His Majesty's loyal opposition in this house is opposed to the appointment at Tokyo. I rather think that the Japanese government will hesitate to accept the interchange of ministers as long as any large portion of this house is opposed to it. Let me say, then, Mr. Speaker, speaking, I trust, the view of some members around me if not all of them, that so far as we are concerned we heartily approve of this appointment and sincerely hope that the Japanese government will accept the offer in the spirit in which it is tendered.

Recently my attention was called to the organization in the city of Montreal of a council to study Pacific relations. I simply remark that as an indication that other portions of Canada, besides the government and besides the members of this house, realize the necessity for taking a deep and personal interest in what is going on in the oriental countries and in what is likely to go on.

The hon. member from Calgary, who discussed many things in his address—

Mr. ADSHEAD: West Calgary.

Mr. GARLAND (Bow River): I beg the pardon of the hon. member for East Calgary (Mr. Adshead). There is another illustration, Mr. Speaker, of the sensibilities of people, and one has to be very careful! The hon. member for West Calgary (Mr. Bennett) in his remarks referred with lamentation to the outflow of wheat, of mineral products, of pulp and pulpwood, and even of paper. He just bemoaned the fact that they were going out. He did not say anything about an embargo on their going out, he did not make the slightest suggestion on what should be done, and I presume his remedy would be to cap all the oil wells, stop all mining development, and prevent the farmers raising more wheat than could be consumed profitably at home. I am not at all sure that that is a fair conclusion to draw from his statement, but in the absence of a more reasonable explanation from him that conclusion is certainly inescapable.

An hon. MEMBER: He said they ought to be worked up in Canada.

Mr. GARLAND (Bow River): Yes. And I wonder how many children the hon. member who has interrupted me is prepared to provide to eat up the surplus? I wonder how many hon. gentlemen are willing to undertake the responsibility of consuming in Canada our mining products, and our paper production, or even to take care of a fraction of our pulpwood production. Why, the hon. gentleman himself is smiling at the suggestion because he realizes its absurdity.

Again the question of immigration came up. I wish to direct attention to just one little point in that connection, because no doubt ample opportunity will be provided later on fully to discuss this question before the parliamentary committee which we are told will probably be appointed. The one point I wish to discuss at the moment is medical examination of immigrants before they come to Canada. The leader of the opposition let the house understand that there was a good deal of criticism of this examination, and I am not sure whether he himself directly criticized it or not, but when I listened to him I took it that he was criticizing medical examination overseas. Now, Mr. Speaker, that was one of the many changes which our group here have advocated from the very outset. It is one of the changes which we feel to be absolutely essential to the proper treatment of these people whom we ask to come to our shores. I want to picture to you one or two incidents that have come to my personal attention. One is the case of a family encouraged to come to Canada by our immigration agents overseas. They sold out their little business over there, took passage on board ship to this land of hope, and when they arrived at the quarantine station they were informed that the youngest member would not be permitted to land because of a certain

physical disability. As a result that unfortunate family were compelled to deport themselves and face the heart-breaking task of reinstating themselves in a decent economic position in the old land—an almost hopeless task under the circumstances. I have another instance in passing. The husband preceded his wife to Canada and secured a farm in order to pave the way for his wife's arrival and have a house ready for her. When she came over subsequently she was not allowed to land because of physical disability, with the result that the poor fellow's effort and investment had to be abandoned. If medical examination had taken place on the other side these two horrible tragedies, typical of many others, would have been averted. I most heartily approve of the medical examination of immigrants overseas. I do not think anything should be done to limit that work. Indeed, it should even be extended, if you are going to continue an immigration policy.

Now, Mr. Speaker, it is not with any idea of self-adulation or of patting on the back the little group to which I belong that I remind the house of the progress of events during the last six or seven years. When we came down here we had in view what were regarded at the time as fairly radical reforms. During the interval we have steadily propagated our views and, I am glad to say, with more or less success. For example, we wanted a revaluation of soldier settlers' lands. We were, I grant you, not alone in that. Hon. members opposite and indeed hon. members in all corners of the house were at times more or less sympathetic and subsequently the legislation was secured.

The question of long term agricultural credits was one of great difficulty but last year even that was solved. The return of the Crowsnest rates on wheat and flour products was attained, but not on the west-bound commodities. I am rather sorry to say that this government disappointed us in respect to west-bound commodities under that agreement. We secured for the primary producers, with the cooperation of a few hon. members opposite, the restoration of the rates on grain and grain products. Now as to government inspection of Canadian banks hon. members of the Labour party were, I may say, just as active as we were in regard to that question, and as a result of constant agitation and the complete disaster in connection with the Home bank the government was finally induced to introduce government inspection of banks. As regards old age pensions my friends of the Labour party deserve the largest measure of credit but we have been glad to cooperate with them and to support them. I could continue citing many other social and economic measures of national importance that have been achieved, but it would take some time to do so. By the way, on the question of the tariff we have not, I regret to say, been so successful. We have, it is true, received a measure of reduction on agricultural implements, one of the commodities upon which we made a direct attack, and on automobiles, but outside of that nothing very much has been done with the tariff. As I said at the outset, however, we anticipate hopefully the introduction of this year's budget and we sincerely trust we shall be able to go back to the west and congratulate the Liberal party on its loyalty not only to the recommendations of the tariff board but to the principles and policies upon which the Liberal party pins its faith.

There is, however, one important question that has agitated this house during the seven years and that is the question of solving the fuel problem by the adoption and practical application of a national coal policy. No solution is yet in sight although we are closer to one this year than we have been in the last seven years. Before I go on with the details of the discussion on this particular point I would like, in passing, to remind the house that in the year 1926 alone Canada expended for foreign fuel and also for freight charges on that fuel to transport it to Canada about $114,000,000. I do not wish to be taken very seriously on that point because that total amount of course includes steam and bituminous coals for manufacturing purposes and we are interested at the moment in domestic coals. The central provinces in 1926 paid out for household coal and freight thereon no less than $52,000,000. If there is any reasonable economic means by which we can retain a share of that purchasing power within the Dominion there is no doubt such action will react to the advantage of consumers generally. I admit there is danger in the argument, but just in passing it makes a point upon which we might be justified in touching. In view of the fact that economists such as Professor Layton of England and others tell us that the average turnover in a year of money is from three to ten times, if you multiply $52,000,000 by three to ten times you have some conception of the vast purchasing power which is used not in Canada but elsewhere. True, I might just as readily argue that the material economic welfare of Canada was not affected by our allowing the purchase of that quantity of goods outside,

because in the very nature of trade exchanges we would probably receive an even break. That, however, is going into the realm of academic discussion and at the moment is a little aside from my purpose.

Canada as a whole possess about 14 per cent of the world supply of coal. Alberta, my province, alone possesses coal resources greater than all the known coal deposits in the rest of the British Empire. Surely that is a potential source of wealth worth developing and worth assisting with a view to its development. I give a good deal of credit to Sir Henry Thornton who has been sympathetic in the past to the possibility of developing this resource and I hope to secure his cooperation and assistance in the future. I give a good deal of credit to the provincial government of Alberta which since 1922 has spent large sums of money in carrying on an intensive and expensive publicity campaign. I give a good deal of credit to the province of Ontario, interested in the use of Alberta coal to the point of contributing something towards the development of public interest in the matter. To this government I am sorry that up to date I can give very little credit although I can give some. They did undertake to grant a certain sum of money for experimental shipments, but the energies of this administration have not been sympathetically directed, until at least recent months, towards the solution of this problem. We hope now that the matter has been boiled down to such a point that no longer can delays be tolerated.

In 1922 the first official movement of Alberta coal took place to the city of Ottawa. A good deal of satisfaction was expressed with it and public opinion began to be developed. In 1923 an experimental movement of 16,000 tons took place at $7 a ton. The first concrete proposal before parliament came in 1923 with a proposal for the appointment of a special committee to investigate the whole fuel problem of the central provinces with a view to finding a solution. The committee advocated a Canadian coal policy. They urged the introduction of publicity propaganda by the federal government and they recommended the actual branch of the department in which it should be carried on. That committee went further. In 1923 they recommended—and the house unanimously adopted its recommendation—that the government should undertake an independent examination into the cost of moving coal from eastern and western points to central Canada. Did the government take any steps in that direction? Not a step was taken, not a thing was done until 1926, when as the result of pressure from the Alberta government and other interested parties, an order in council was passed giving instructions to the board of railway commissioners to examine into the actual cost of moving coal, having consideration firstly to the cost entering into the movement of the coal itself, secondly the actual cost plus the care of general overhead that the coal should carry, and thirdly the cost plus overhead plus profit.

It is regrettable that these latter questions were included as a good deal of confusion has arisen since the report of the board was made public. I think it was about February 13, 1926, that the order in council was passed but the board did not sit on this matter until last June. For seven or eight days the board discussed the question with the experts of the railways and the technical experts of the two provinces with the result that they found, and reported in September last, that the out-of-pocket cost, according to the majority report of the commission, was $7.22 and that the out-of-pocket cost plus general overhead was $10.07. By the way, this latter figure is interesting in that Sir Henry Thornton has himself admitted that he can haul and is willing to haul coal at $9 a ton, but the Board of Railway Commissioners found that he could not haul it and pay general maintenance without receiving a rate of $10.07. Obviously somebody was wrong and I am prepared to accept Sir Henry Thornton's statement that he can haul coal at $9 a ton, pay the share of the overhead and make a substantial profit. Examining the report of the board one finds some strange matters. I hesitate to attack directly a tribunal of this character; I do not like doing it; but I am emboldened by the fact that last year, when this question was discussed, the hon. member for West Calgary (Mr. Bennett), now leader of the opposition, in no uncertain terms flayed the railway commission. At page 2325 of Hansard for last year Mr. Bennett is reported as saying:

> It is so seldom that I find myself in such complete accord with my distinguished friend that I should mark this occasion by saying that I believe the railway commission is rapidly losing the public confidence of this country.

That was a very frank statement from a gentleman in his former position, and a very alarming statement from a gentleman holding the position now occupied by that hon. gentleman. It is a statement with which I concur. A discussion took place at that time, which may now be interesting to hon. members of this house. The Minister of Railways, (Mr. Dunning), who perhaps was more directly affected than other ministers, took part in that

discussion, and may I remind the house that at that time we were requesting that the federal government bring in legislation enabling the government to establish, by order in council or by statute, the rate which the Board of Railway Commissioners should find as the cost rate, if that rate were one at which coal could move. The suggestion which I offered at that time was supported by the hon. member for West Calgary, by several members around me and by one or two others, but the Minister of Railways disagreed. He said:

> However, that may be, the intention of the government with regard to the matter is well set out in the order in council, and I can say to my hon. friend, and others who may be interested, that the moment we get this information from the Board of Railway Commissioners as a government we will move in one of two directions. First, we intend to find out immediately from the nature of the report received whether the railway commission would have authority to do anything to meet any of the recommendations made which might appear to have the effect desired.

Of course we were all perfectly aware even at the time the minister spoke that the Board of Railway Commissioners had no power and that this was just so much padding.

> That would be one course. The second course would be that I might undertake, as Minister of Railways, immediately to confer with the management of the Canadian National Railways, at all events, and probably with the Canadian Pacific Railway, who, I presume, would also be willing to confer on the matter, as to how far the railways would be prepared to go in advance of the meeting of parliament, having regard to the information made available to the government as a result of the inquiry by the Board of Railway Commissioners. That is as far as the government is prepared to go at the moment, all with the objective of bringing, if possible, some relief to the situation prior to the next meeting of parliament—

Well, Mr. Speaker, I have waited patiently ever since the report of the board was made public for the announcement by the Minister of Railways that this meeting had taken place, but I have seen no announcement of it.

Mr. DUNNING: It has taken place.

Mr. GARLAND (Bow River): I hope if it has the minister will tell us the result of that conference, because it will be intensely interesting. Last year he went on to say:

> But in so far as the government can move upon the basis of the information we expect to receive from the Board of Railway Commissioners, the government will move along lines designed to mitigate the situation and widen the market for Alberta coal.

That closing sentence fills me with hope. I am satisfied that we have now reached a stage of this problem so close to its solution that the ministry will this year find itself in a position to introduce a measure providing for the necessary alteration in existing conditions which will bring about the desired result.

What should that change be? First of all we have this $7.22 rate which the board found to be the actual out of pocket cost involved. I have heard men in the street discuss the matter, and they have said, "You cannot apply that rate because it would result in a loss to the railways." I say to you hon. gentlemen and to you, Mr. Speaker, that the $7.22 rate includes every possible charge that can be attributed to the movement of coal. So far does it go that it actually takes cognizance of the wear and tear to the steel rails as the result of the transportation of coal cars. It takes into consideration every other possible charge, switching, terminal charges, water, labour charges, everything which can possibly be attributed to coal, but of course it does not take into consideration the constant charges which would go on whether or not coal is moved.

Now, during the summer months I believe there are about 40,000 freight cars lying idle, according to the statement of the technical experts of the railways before the commission. All we ask is that some of these cars be put into operation for the transportation of coal, and we say further that not only will there be not a cent of loss to the railways as the result of the establishment of a fair rate for this movement, but that the railways will probably make a profit as the volume of business increases. The out of pocket cost is fixed at $7.22, which includes every charge which can possibly be made against this movement, but that rate was arrived at upon a wrong basis; the conclusion was reached incorrectly, and the whole thing was absolutely unfair to the coal movement. Why the Board of Railway Commissioners arrived at such a decision is beyond my understanding. I dislike to impute motives, and I am not going to do so now; I am not going to suggest that they were under the influence of the railways, but I am going to ask that the commission give some explanation now as to why they proceeded upon the basis they did take in finding that rate.

An estimate was made of the number of cars which would be used in the movement of coal; they were all considered going down loaded, and an estimate was made of the cost of moving the loaded train. Then the commission said, "You have to get these empty cars back again; how much will that cost?"

First of all they said, "Each of these cars is going to go back empty." That of course is perfectly absurd. The most ordinary individual on the street, with the most ordinary intelligence, will realize that if you are going to increase the volume of tonnage and the production in any particular industry, you are also going to increase the quantity of commodities consumed by that industry, and as most of these commodities come from the central or maritime provinces, you must naturally increase your tonnage going back. So if you used 10,000 cars to bring coal to this part of the country, it is absurd to argue that 10,000 cars would go back empty, yet that was the basis taken by the commission.

However, we will not quarrel with that; we will go to another point. How much will it cost to move these cars back? The commission said it would cost as much to move the empty car back as it cost to move the loaded car down. I appeal to the intelligence of this house to find any common sense in a statement of that kind. They said, "It costs so much to move a loaded train of coal to Ottawa, and it is going to cost just as much to move an empty train back." Of course, any ordinary individual knows that is absolutely absurd, but we will pass over that. We will give them all these things for good measure; these will represent a share of the profits to the railway companies in addition to the cost rate.

Mr. DUNNING: Will my hon. friend permit a question? Did the railway commission use the per ton mile basis in both cases?

Mr. GARLAND (Bow River): No, they used several bases; there was an A basis and a B basis; there was a C.N.R. basis and a C.P.R. basis. I have the whole thing under my hand, but it would take me forty hours instead of forty minutes to dispose of it. My time is limited, so I must get on to the more important points. The Minister of Railways may smile at this, but he will not smile at what I am about to say.

Mr. DUNNING: I was not smiling at my hon. friend.

Mr. GARLAND (Bow River): Perhaps my hon. friend was smiling at the forty minute limit. I am sure he is very glad that there is such a limit when discussions of this kind come up.

However, I want the house to consider one or two further points. In finding this cost rate, the Board of Railway Commissioners said that these cars would need repairs if they were put into that business. We agreed to that and asked how much the repairs would be. We ascertained that the average cost of repairing freight cars over the whole Canadian National Railways system was $121.90 per year, but the provincial experts representing Alberta and Ontario brought forth another basis upon which this cost had been worked out. They said that there must be a scientific basis and that they would accept the only basis of that kind in North America, the one accepted and used by the Interstate Commerce Commission of the United States. On that basis the provincial governments worked out a cost per car per annum of $209.52. That was a large increase over the average cost of $121.90 but what did our friends of the railway commission say? They wiped that aside; they refused to consider that scientific analysis and accepted the statement of the Canadian National Railways that it would cost over $424.85 per car per year. Eight and a half per cent of the total available cars would be used in the movement, but for eight and a half per cent of the cars to be asked to carry 24 per cent of the total car maintenance cost is utterly unfair. If that were reduced it would mean a difference of $1.30 a ton in the cost of the movement of coal. But that is not all. There is something else which needs to be demonstrated. I ask you, gentlemen, to take out your pencils and first of all deduct $1.30 from $7.22. The board also asserted that fifty-nine days would be consumed in the round trip for a train of coal going from Drumheller to Toronto. But the average for the round trip would be not more than thirty-two days; and the average speed of all trains on the Canadian National railway in the west is fifteen miles an hour. Another unfair feature was in regard to the car loading Now the average car loading—not the maximum or the minimum—of the whole Canadian National railway system amounts to 36 tons. That is the average load put in a freight car for the whole system, including package freight, furniture and everything else. For the Canadian Pacific railway the figure is 38 tons. But the Board of Railway Commissioners took 33.4 tons as the basis for the coal movement. Anyone can understand how unfair that is when they begin to analyze exactly what this means to the coal movement. The difference in cost between a 33.4 ton load and a 36 ton load is exactly 47 cents a ton. Deduct this 47 cents a ton, plus $1.30 from the $7.22, and you have a rate of $5.45. At that rate nobody questions

that Alberta coal can be brought down to Ontario to sell in competition with American anthracite.

Then we come to the next point. We are asked: Why fix the statutory rate of $6.50 a ton when it is said that $5.45 will carry the coal and cover every possible charge attributable to it? Well, this question came up before the Alberta coal operators. The analysis of the Board of Railway Commissioners came before them and having carefully considered it they said: There is no use our demanding that minimum cost rate of $5.45; it might not be fair. We are going to be as fair as we can. All we are asking for is that we shall get a rate at which our coal can be moved. We will not ask for $5.45, but we are willing that $1.05 should be added to that amount making the rate $6.50. In the interests of the largest coal deposits in the British Empire, in the interest of the development of one of the greatest resources in the Dominion, and the second greatest resource after agriculture in my province, I appeal, with some hope, to this government and to this house, that a bill will be introduced before the session closes, providing for a statutory rate on coal. It may be that they may not feel free to set a permanent statutory rate, but that they will be willing to test my proposals, and in the meantime will establish a temporary rate by statute for three years. If that is done I would urge the government to place independent accountants at work in order to ascertain whether the report of the Board of Railway Commissioners is accurate or not. The future of the Alberta coal industry, the future of one of the greatest resources of this country, is at stake. There is no use talking about your resources—no matter how eloquent your terms may be, or how violent your arm-waving may be—until you develop them. You have here a chance of developing one of Canada's greatest resources, and I offer the suggestion I have made to the government as a solution of the problem, which may be applied without further delay.

SIR GEORGE PERLEY (Argenteuil): Mr. Speaker, in the first place may I join with other hon. members in congratulating the mover and seconder of the address upon the very eloquent manner in which they expressed their views. I rise simply for the purpose of making a few observations in reference to one particular clause in the speech from the throne—I refer to the proposal of the government to send ministers to foreign states. To my mind this is a step in the wrong direction, and I regret to say that upon this matter I disagree with my hon. friend the member for Bow River (Mr. Garland) who preceded me. As a matter of fact, I am strongly opposed to this being done under present circumstances. I am not going to discuss the present constitutional position or development of the Dominion. This has already been done by my chief in a much better way than I could do it myself. It is sufficient for my purpose to remind the house that we have in Canada greatly progressed from the status of a crown colony, which we occupied years ago, to our present position. To-day we are, in fact if not in law, the master of our own destiny. In bringing this about all the prime ministers of the Dominion have given a helping hand, but none more than my former chief, Sir Robert Borden, during the war years and during the negotiations which resulted in the treaty of Peace.

To-day I make bold to lay before the house in a few plain words what I understand to be the position and feeling in Canada at this moment. On the one hand there has developed in this country a strong and robust Canadian spirit, and I believe it is increasing. I am glad that this is so, because it is certainly our duty to look after the interests of the country we love. This feeling is, I think, specially noticeable among the young men. They will not be content to have this country remain in any position of inferiority or subordination. They say, and quite properly, that every British subject, no matter in what part of the British dominions he may live, should have an equal voice and influence in all matters of common concern, and particularly in any issue as to peace or war. On the other hand there is in my opinion an overwhelming proportion of Canadians who favour the maintenance of British connection, and the working out of the destiny of this Dominion of ours in cooperation with Great Britain and our sister dominions. Now the question that I wish to ask is: How are we going to reconcile these two ideas and what plan can be worked out to accomplish that result? There are some people who say the thing is impossible, and certainly nothing of the kind has been accomplished in the world up till this time. As a matter of fact we are, I believe, in the midst of a great experiment or adventure in government. And we have half a dozen separate countries working out their own destiny, having full authority over their own affairs, who should work together in foreign matters. While I acknowledge the difficulties—we must all acknowledge them—still our race has had a genius for compromise

and for arranging questions of this sort. I believe this problem can be dealt with by the exercise of patience and goodwill on all sides; but in my opinion we have no hope of bringing this about unless we have a single foreign policy. Unless the various parts of the King's dominions speak with one voice and present a united front to the rest of the world how are we to get along? Can this end be attained if any considerable portion of the British commonwealth is going to send independent ministers to all foreign countries? In my own opinion it cannot. The other day my chief referred to the unfortunate implications which would be conveyed to foreign countries by Canada's appointing ministers to them, and I can see further complications which I need not at this time enlarge upon inasmuch as every member of the house may visualize them for himself.

Personally I never was in favour of the appointment of a minister to Washington, although there were many strong reasons for that departure which do not apply to other countries. The United States is our great and friendly neighbour and we have vast interests in common. In the case of France there are sentimental reasons why such an appointment might be considered, but as a matter of fact—at least this has been my experience—my friend Mr. Philippe Roy, Commissaire Generale in Paris, has been able to deal with all problems which have arisen between the governments of the two countries. I believe his work has been most satisfactory. But this proposal that we should appoint more ministers to foreign countries is to my mind a most dangerous precedent. Who can tell where it is going to end? In his speech the other day the Prime Minister (Mr. Mackenzie King) said that the government intended appointing a minister to France, who would be the sole representative of this country on the continent of Europe and one in Tokyo who would represent us on the continent of Asia. The hon. member for Bow River (Mr. Garland), in a few words, explained how this would create a misunderstanding, and I should be glad to have the matter explained by the Prime Minister. What other ministers are going to be appointed? By what authority did the government decide to appoint these two ministers and enter into an agreement before submitting the matter to parliament? I know there is general authority on the part of the government to perform executive functions, but the decision to make these appointments is something which will have far-reaching results. So far as I know there has never been any discussion in this house such as would indicate that Canada is prepared to send ministers to all the countries of the world, and I submit that this matter is too serious for the government to have settled it without having first brought it up in the house and having had it thoroughly discussed. It seems to me that the opinion of parliament and of the country should have been sought to ascertain whether it was the desire of the people to have the appointment of these ministers proceeded with.

Mr. MACKENZIE KING: May I point out to my hon. friend that the precise language in the speech from the throne is to the effect that we "propose" to send the representatives. Care was taken to indicate that parliament would in the first instance be called upon to consider the matter and to make the necessary appropriation, but before coming to parliament it was necessary to ascertain from Japan whether, in the event of the Canadian parliament agreeing to appoint a representative to Japan, that country would be agreeable to receiving him.

Sir GEORGE PERLEY: I can quite understand that the matter must be passed upon by parliament in some way or other, but an arrangement of this kind should be discussed by parliament before and not after it has been made. The exact words in the speech from the throne are these:

> By agreement between the governments of France and Canada and the governments of Japan and Canada, it is proposed—

Mr. MACKENZIE KING: It is proposed; that is all.

Mr. BENNETT: By agreement.

Sir GEORGE PERLEY: We do not know whether the agreement has been made, although I understand that it has.

Mr. MACKENZIE KING: Perhaps I may tell my hon. friend exactly what has taken place. Japan has intimated to Canada that she is agreeable to receiving a representative provided we send one, and we have stated that we are agreeable to receiving one from Japan if one is sent. But the Japanese government—and they have directed attention to this fact—have still to obtain the consent of their legislative body to sending a minister to Canada, just as we have intimated that on our part we shall have to get the consent of the Canadian parliament before any understanding can be implemented in the form of action.

Sir GEORGE PERLEY: My right hon. friend knows that this is a far-reaching question of policy, and therefore the government, in committing itself as it has done, is placing

the house in an extraordinary position. The agreement must be ratified by the house, because its rejection would amount to a vote of want of confidence. A policy of this moment ought to be decided by the house before such action is taken as in this instance. What is going to be the situation if we have ministers in all parts of the world? The government is confining itself now to these two proposals. But who knows what day they may decide to appoint ministers to other countries? And what will be the position in those foreign capitals if every section of the British Empire decides to send a representative there? Let us suppose we had six ministers from as many parts of the British Empire, all resident in Czechoslovakia; we can imagine the confusion that would be there. I ask you, Mr. Speaker, whether this plan is going to make for the whole-hearted cooperation of the British commonwealth such as we all want to promote? What excuse does the Prime Minister give for this action? At page 60 of Hansard I read:

> I believe it is true that our trade with the orient to-day is greater than was the trade of Canada with the United Kingdom at the time the government of Sir Wilfrid Laurier came into office. When that event took place Canada's trade with the United Kingdom stood at a certain figure. That figure is exceeded to-day, so I am informed, by the total trade of Canada with the orient.

I submit that the very reason given by the Prime Minister is an argument against his course. I wish to draw a sharp line between diplomacy and trade. In trade the various parts of the empire are rivals competing one with another, and it is our duty to see that our own people get the best chance possible for trade in every part of the world whether they compete against some other part of the King's dominions or against foreign countries. Let us have separate trade commissioners in the various countries as they may be required. That is one thing. But in diplomacy the King's dominions must be one and must speak as one people if we are to hold together. That is the problem which all the countries of the British commonwealth have before them at the present time. And you may ask, how are we going to accomplish this and still each part have a separate status? I appreciate the difficulty, but during the time I was in England I conceived the idea that it might be possible to have a foreign office representative of the whole British commonwealth. That is to say, it would be separated from the other departments of the British government, and would attend to the foreign policy on behalf of all parts of this empire. Now I do not see why a foreign office should not be administered by a committee, on which each of the dominions would have a representative, and with a British representative as chairman, under present conditions, so long as the mother country is more populous than we are—

Mr. ADSHEAD: Is the hon. gentleman aware that the British Prime Minister declared that the sharing of any such control was absolutely impossible?

Mr. BENNETT: He took it back two years later.

Sir GEORGE PERLEY: I understand that he has changed his mind since in that regard, and that happened some years ago. There is another prime minister now, and there have been several prime ministers since. As a matter of fact, my judgment is that so long as we find a way of holding together, the British government will be willing to listen most favourably to any suggestions put forward by the Dominion to that end. That is the way I found it when I was over there. I ask you, Mr. Speaker, whether this foreign office could not be administered by a committee, with a British representative as chairman. I ask you whether this service could not be recruited by men from all over the King's dominions. I ask you whether it could not be so arranged that a Canadian might be ambassador to France, for instance, or an Australian ambassador to the United States. In other words, these services should be recruited from all over the King's dominions. Some years ago Sir Robert Borden was offered the appointment as ambassador to the United States. I am sorry he found himself unable to accept the position, because I think it would have made a very good precedent. Some people say we cannot have an empire organization like such as I suggest that would be workable. There has been and is one empire organization that does work, the first one to function, and it works well. I admit it is in a different category, but when it was first started many people doubted whether it could be handled successfully and to the satisfaction of everyone. I refer to the Imperial War Graves Commission. I was at a meeting of the committee when it was first considered and when we got the royal charter. I was a member of the commission and took a great interest in it during all the time I was in London. Many people thought that Canada should look after the graves of her own men who died in the war. But the result has shown that joint action by the whole British commonwealth has produced the best results.

Everybody is satisfied with it and during the time I was in London and attended the meetings I felt that I was listened to and had as much to say about what was to be done as any other member of the commission. I say to the Prime Minister in all sincerity that I believe he is taking the wrong path, if he wishes to develop a plan of cooperation and partnership among the self-governing units of the British commonwealth. I admit that it would be difficult to work out a plan that you could feel would be satisfactory, but if my suggestion is not feasible then some other method should be found, so that we could all get together and speak with one voice to the whole world. I say again, in my opinion, that it is vital that we should do so, if the British commonwealth of nations is to continue to work together. As one of the half dozen oldest members in this house, I do not suppose I will live to see it myself, but in my mind's eye I can visualize an occasion arising when, under the present proposals of this government, the British ambassador and the Canadian minister in some foreign capital may be found urging different courses. How are we going to avoid that? We certainly do not wish anything of that kind to happen, and therefore, Mr. Speaker, I have taken this opportunity, in a few plain words, to try to put my views of this particular matter before the House of Commons, and I urge the Prime Minister to reconsider his decision.

Mr. J. A. GLEN (Marquette): Mr. Speaker, it is a pleasant relief to find, in the midst of controversial matters, a common ground of agreement. It relieves tension and imparts to a discussion a fellow feeling which makes us all akin. In the debate on the address from the throne, such a common ground occurs in the felicitations which have been offered to the proposer and seconder of the address by members on both sides of the house, and at the risk of saying something which may be considered stereotyped, I must take this occasion to express publicly what I have stated to them privately, that their speeches were models of brevity, conciseness and lucidity, delivered in a tone appropriate to a high occasion, flattering to themselves and honouring to their constituency. In connection with the remarks made by the hon. member for Bow River (Mr. Garland) regarding the seconder of the address, I would like to ease his mind with regard to that independence of which he speaks, and to say that the seconder of the address spoke without consultation with me as chairman or any other member of this group, and he did so on his own responsibility as a member of this house, accountable only to himself and his constituency.

The leader of the opposition (Mr. Bennett) remarked at the beginning of his address that the speech from the throne is "remarkable more for what it does not say than for what it does say". If I have any objection to offer it is in what it does not say, and later I shall deal with the omissions.

While the leader of the opposition has endeavoured to minimize the first paragraph of the address, which refers to the "marked prosperity of the country, the volume of trade and of building construction, the growth in employment, the increased railway receipts, the expanding revenues and business conditions generally all bearing testimony to a sound economic development which promises much in the way of substantial progress", yet by one of those "implications" which recurred so often in his speech, he does admit there is a present economic prosperity because, as he put it, "a lesser number of people inhabiting the same area have been creating new wealth more rapidly than they did before", and this wealth created by the depletion and sale of our natural resources. It is a gloomy picture he depicts. I trust he is not proposing to assume the devastating mantle of a Dean Inge. If his picture be true, then all the presidents of the banks to whose statements the Prime Minister referred must be wrong, absolutely and most negligently wrong. The president of the Canadian Pacific Railway must also be wrong in his statement published in several papers this year in which he says that:

> The general business of the country experienced a consistent and widely spread development based upon very general agricultural prosperity and industrial expansion.

The leader of the opposition well knows—he has probably helped to draft in past years the statements published by the bank of which he was a director—that no more carefully worded documents are published than are those of our banks at their annual meetings, based alike upon their country-wide knowledge and experience, and definitely proved by the financial reports of which they form the prologue. By reason of these authorities and in the light of the reply of the Prime Minister, I am going to assume in my argument that the paragraph I have quoted from the speech from the throne is correct and that the leader of the opposition, not for the first time, is wrong.

But the leader of the opposition has a remedy upon which he dwelt at length, and that is immigration. No one will deny we

need immigrants, no one will gainsay that in this Dominion we can offer to the proper kind of settler the opportunity of a fuller life than any other country in the world. That statement covers a large territory but I think any member of this house would have no difficulty in proving it. I would not wish, however, that any member would take the same illustration which the leader of the opposition gave and choose the year 1913 as a basis of comparison, for if we endeavoured to prove his contention, or rather his implication, that more settlers are necessary for permanent prosperity, the fact is that that year, 1913, in which he said "in no one year since 1921 have we brought into Canada half as many people as were brought here in 1924"—a year, by the way, in which the Conservative party was in power—was the year in which, despite that tremendous immigration, our total adverse trade balance was greater than in any year of our history. But yet I would not lightly dismiss his suggestion of a reference to a special committee, if for nothing else than to dispel suspicion, to correct abuses if any, and not least, to curtail or control the activities of self-appointed immigration agents, be they railway companies or individuals.

I feel that the problem lies not in immigration, but in assimilation. In the vast farming areas of the west we want new blood in our settlements who will take up land for their own use. We have not had much difficulty in obtaining labour, apart from spring and harvest, but of actual settler immigrants —I speak of my own constituency—we have had very few. I agree with the leader of the opposition that this question transcends party and I will welcome any method to attain what we all desire. I would, however, point out this fact, that Canada is big enough, broad enough and desirable enough to attract settlers; it should never be small enough to beg them.

In the limited time now allotted, Mr. Speaker,—with which let me say I have no complaint, although like others I may at times wish it longer—I do not intend to speak on any of the various questions specifically mentioned in the address. I propose to speak on matters not mentioned, but which in my judgment will have to be discussed during this session. On Tuesday night I listened with interest to the address of the hon. member for South Wellington (Mr. Guthrie), and there was one sentence which particularly struck me. He asked: "What counts in the matter of taxation?" He answered it thus: "It is the burden upon the people; that is the only test". I think that is the most important matter we have to discuss and decide at this session of parliament. I do not minimize or subordinate all the important subjects referred to in the address, but after all the well being, contentment and happiness of the people is the principal function of government, and for these reasons I was sorry to note that no reference was made in the speech from the throne giving promise of reduction of taxation. I was glad however, to hear the Prime Minister forecast reductions, and I hope they will be in the direction I propose to outline.

I would not wish to discuss this matter on any narrow basis. I have always realized and appreciated the fact that government of this broad and diverse Dominion must necessarily be based on compromise between conflicting interests; but having said that, let me also say that there are certain broad lines of general policy to which I, in common with almost all the members from the prairie provinces, am committed (1) by conviction and (2) as a representative. We must admit and record that nearly all the promises and pledges of the Liberal candidates in the 1926 election have been implemented by this government, for instance, the maintenance of the Crowsnest pass agreement—to which the Conservative party in convention assembled have given approval, although somewhat tardy; energetic and immediate steps towards the completion of the Hudson Bay railway—shall I say?—with the tacit approval of said convention; old age pensions; completion of the Customs probe; maintenance of the tariff reductions in the famous Robb budget, and others which I need not enumerate.

It is a matter of gratification to find that these reductions, which were so strenuously opposed by the manufacturers of automobiles—not forgetting His Majesty's loyal opposition, have resulted in no impairment of the production of cars by our manufacturers, but, on the contrary, have contributed to their progress. And when I listened to the hon. member for South Wellington, I was amazed to hear him accuse the Minister of Finance (Mr. Robb) of lack of courage. If anything was needed then, in view of the tremendous uproar made by these manufacturers, it was courage, and the Finance minister most certainly displayed it. When the same hon. member stated that the minister was "content to sit at his ease and allow the Department of Finance practically to run itself," surely he was in error. At

all events, his experience must be different from mine, for I came to the conclusion very early that the Finance department was the minister, and a stubborn, self-willed Scotchman at that, with all that that implies.

I am therefore in my concluding remarks, going to address myself to him particularly. In my judgment a good deal of the prosperity of this country to-day is attributable to the fact that in the post-war period the government of the day have not sought to embark upon quack revenue-producing experiments, but have stayed put behind a tariff which in comparison with that to the south must be described as moderate. When the attempt was made to stampede the country towards higher tariffs, it failed ignominiously and the consequences so freely predicted then have failed to materialize. On the contrary we have made material progress. The work, however, is not yet done. The Conservative party, if you except the Winnipeg platitudinous utterance, have not so far indicated their tariff policy. The leader of the opposition (Mr. Bennett) has not yet volunteered to the country and to the house where he and his party stand, if one might except only the one word "protection" which one may hear delicately uttered now and again by one or two irresponsible members. He speaks, it is true, of trade within the empire. With all deference I would suggest that such an idea is merely a pipe dream and is relieved from absurdity only by the eminence and the position of the speaker. There can be no two opinions on this matter, that the world is our market and will become increasingly so as the years go on.

If therefore, this prosperity can obtain with a moderate tariff, so-called, although in my view, most immoderate, I suggest to the Minister of Finance (Mr. Robb) that at no time in his political life has he had an opportunity as favourable as now of demonstrating the efficacy of a moderate tariff and of showing the fallacy of this fetish of protection. I am aware that he will not go so far as I would like, and on this point I would like to correct an impression which is disappearing in some quarters but which still has its devotees. We in the west have insisted in the past and will also in the nature of things insist in the future on a large measure of free trade; but nevertheless there is not one thinking man among us who does not recognize that these matters cannot be dealt with otherwise than by degrees. We know that industries must have time to accommodate themselves to changes, and we are ready to give the fullest and most ample consideration to all their claims. But having said that, we trust they will also recognize that we cannot and will not continue to suffer under vexatious and unnecessary tariffs which not only hinder the development of production, but seriously affect the standard of living. The hon. member for Hants-Kings (Mr. Ilsley) in his speech referred to the uneven distribution of the country's prosperity, and the hon. member for Winnipeg North Centre (Mr. Woodsworth), dealing with that, stated that when the labourer receives only one-third of the added value which his labour produced he did not wonder that the other classes who received the remaining two-thirds rejoiced in the prosperity. To this I will add that where it can be proved that industries are placing burdens on the taxpayers by taking advantage of tariffs, a summary remedy should be provided by parliament. I think that is good doctrine and it could be subscribed to even by the Conservative party.

If I had the time I would like to give a number of examples, but I am going to deal with only one or two. Some exception has been taken to the workings of the tariff board. In my judgment the tariff board are performing a function which no other body in the Dominion of Canada is able to perform. They are there as a fact-finding body, not as a recommending body, and on the question of tariffs what we certainly lack in this country is facts. It has happened that an application has been made before the tariff board by the Consumers' League for a reduction in the tariff on cottons. I have not had an oportunity of reading the evidence because it has been available to members of the house only within the last two days, but I have had an opportunity of reading the argument which was presented on behalf of the applicant for a reduction in the tariff and, so far as I could see, that argument was not contradicted nor controverted in the slightest degree. No exception was taken to it by any member of the board, and therefore I may assume that the facts which I now give and which were stated before that board are correct.

What was the application? It was an application for a reduction in the duty on cotton goods and it was stated then that under the general rate the average rate of duty on cotton goods was 30 per cent; that the average percentage which productive wages have to the volume of product was 20 per cent. The applicants were willing to give tariff protection under the general tariff equal, not to the difference in wages at home and abroad, but to their entire wages, exclusive of course of salaries. One would have

imagined when that offer was made, which in my judgment was a generous one, it would have been willingly accepted, but the answer was that the cotton industry claimed protection equal to the entire cost of everything they purchased in Canada as well. That is to say, if wages are 20 per cent and raw materials purchased in Canada amount to 30 per cent of the selling price of the goods, the tariff protection should be 50 per cent.

Figures were given showing that the Dominion Textiles had a total production in 1924 of $20,232,716, and its wage bill was $4,408,852, or 21.8 per cent, but this includes salaries as well as wages. If wages were taken alone the percentage would be less than 20 per cent.

The Wabasso Manufacturing Company, according to figures submitted by them covering a period of eleven years, manufacturing some of the finest qualities of cloth and yarn where the proportion of wages would be higher than in the coarser grades, had paid out in wages and salaries 23.7 per cent of the value of their products. During that time the average tariff under the general rate has been in excess of 30 per cent. The tariff rate is therefore 6.3 per cent higher than the total amount of wages paid by that corporation. It was contended that they could not compete with labour in the southern states. From their own figures it was shown that the average wages in the industry are as follows:

State or Province—	Per Annum
Massachusetts	$954
South Carolina	631
Quebec	592

That was from their own showing. The manufacturers contended that they were not getting their fair share of the market, but what are the facts? In 1914 the consumption of raw cotton in Canada was close to 80,000,000 pounds, while in 1927 it was 135,796,625. Does that show that they are not getting their share of the market?

Then let us consider the import of dutiable cotton goods. From 1914 until the present time the figures are:

1914	$26,210,000
1922	33,332,000
1923	37,222,000
1924	34,969,000
1925	31,812,000
1926	29,977,000
1927	28,096,000

You will understand, however, that during the years 1914 and 1927 there was a tremendous advance in prices. If instead of dollars we could give these figures in yards or pounds it would show an actual decrease in the volume of cotton goods imported during this period. So high is the duty in existence at present, in fact, that it acts in a large measure as an embargo and keeps goods out. This reduces the revenue and, in addition, allows Canadian manufacturers to charge prices much beyond the world level.

Canadian Cottons Limited submitted a statement in which they claimed that the cost of producing cotton goods in Canada was 35.07 per cent higher than in the southern states and 32.8 per cent higher than in Great Britain. Our average tariff on cotton goods at that time, under the general tariff which is the rate under which American goods enter, was 30 per cent, while British cotton goods enter at approximately 18 per cent. From these figures it will be seen that it would be absolutely impossible for Canadian Cottons Limited to survive if their contention was correct that they had to operate under a much heavier manufacturing cost than was the case elsewhere. What are the facts in regard to that company? In the Financial Times of last year we find the following:

> The balance sheet of Canadian Cottons as of March 31 last showed a surplus amounting to $2,737,563, equivalent to over $100 a share on the 27,155 shares of common stock. In addition there is shown among the liabilities an item of $600,000 for special replacement reserve, despite a generous reserve for depreciation. If this sum were included in surplus, the latter would be shown equal to $123 a share on common stock.

That seems a pretty good showing for a company labouring under such a heavy handicap.

Then we have the Dominion Textile Company, about which I am sure this house has heard before. This was a most remarkable financial adventure. The present owners paid $500,000 for stock with a par value of $5,000,000, and year after year they paid dividends on the par value. Then the stock went up in price and they gave to every holder of two shares the right to purchase an additional share at par, when the stock was selling far above par value. Then a year later they split it three ways, so that each shareholder received three shares for one, and to-day that stock is selling for $130 per share. This company has a capital valuation of over $29,000,000, but in all the years since it was formed only $3,000,000 has been paid for this stock. What made it worth $29,000,000? Surely there can only be one answer; the consumers in the Dominion of Canada paid the difference, and put in eight dollars for every dollar put in by the shareholders. If the profits were measured against the actual amount of cash paid in by the original owners, we find the actual earnings of the Dominion Textile Company to be in excess of 220 per

cent. As a further point, let us consider the evidence given by Mr. Daniels, general manager of this company, before the special committee on the cost of living, which will be found at page 362 of the proceedings of that committee. While under examination by Mr. Pringle he was asked the following question:

For 1918 you earned about 291 per cent?

To which he answered "Yes." Yet that company was before the tariff board in December last asking for an increase in the tariff.

My contention is that the consumers cannot afford to pay to an industry in Canada a bonus so far out of proportion to the services rendered to the community. We desire to be fair to an established industry and to encourage it by every legitimate means, but there must be a limit. Surely no offer could be more generous than to ask them to agree to a tariff under the general rate which would be high enough to cover wage costs. This would mean that the people would penalize themselves to that extent and without recompense or return they would pay the entire wage bill of the industry. It should be understood, of course, that this would apply only to the general rate and that the industry would have to be content to accept under the preferential tariff two-thirds of the general rate, and an intermediate tariff in proportion.

Here again I would emphasize my point of view. Such measures of tariff relief do not affect or minimize the basic principles underlying all tariffs, and it must not be understood that I accede to the need for tariffs. These sheltered industries must recognize that basic production in Canada should not be asked continuously to maintain them, and they must take the necessary steps for their own development and ability to stand alone. As I have said, we do not desire to be unfair or drastic. We wish them to recognize that the protection which they have enjoyed for so many years cannot be prolonged indefinitely. The point of view of the consumers who bear the burden and who pay the costs must be considered, and in all fairness the cotton industry cannot complain of being taken by surprise. This matter has been long before the house; Hon. T. A. Crerar, formerly member for the constituency which I now represent, so long ago as 1922 spoke of this matter in this very chamber, and pointed out the anomalies of the situation. These people knew then that these demands would be made, but nothing has been done. When an offer was made they refused it and continued to hide themselves behind this high tariff.

As I have already said, there are a number of applications now before the tariff board, the evidence in which has been completed, and I must say that the glaring inequalities are just as pronounced, although I cannot touch on them now because my time is getting short. The Minister of Finance has the records; he has the power and, I hope, the inclination to give relief to the consumer in these and in other ways, and I would ask him if the time is not long overdue when the people of Canada should participate in the dividends which have been earned by these companies. The consumers do not own the companies, but the consumers made them. These sheltered industries are built up from the pockets of the people, and they enjoy a shelter which they have abused. No one in the west or elsewhere objects to any individual or any company getting profits so long as they are obtained in open competition with the world. The great retail stores of the Dominion have built up their business not through protection but by efficiency and service. They do business and make money by legitimate business enterprise, and is it too much to ask the manufacturers to apply the same principles? If they do so, they will have the hearty and active support of the common people.

In conclusion, Mr. Speaker, I would urge the Minister of Finance to embody in his budget reductions along the lines I have indicated. We feel sure that no harm or injury would be inflicted on these industries, and the relief which it would give to the consuming public would be incalculable. It would be reflected in the greater purchasing power of the dollar and in increased amenities of life, and may I say, as a last word, that such a reduction would be in entire accord with the declaration made by the minister during the budget debate last session, when he said that this government "are recognized throughout Canada, and we are proud of it, as a low tariff party."

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I desire to occupy the time of the house for a few moments only to consider one aspect of the interesting speech of the Prime Minister (Mr. Mackenzie King) on the address. The subject to which he referred, inter-imperial relations, has been one of very great personal interest to me since the time of my boyhood. It has been an ideal of young Canadians growing old, ever since their days at the academy and the university, that we should one day attain equality of status with Great Britain

and with other parts of the British Empire, now known as the dominions. We have watched from year to year an improvement in that status, but we have not yet seen the accomplishment of the ideal which stirred so many of us thirty and forty years ago. That ideal has been in progress of attainment for eighty years in this country, but it was left, I think, to the Prime Minister erroneously to claim that he and his associates have at length accomplished it.

It is well that we should understand the present condition of affairs in order that, thinking clearly and foreseeing the future, we may prepare for the solution in a satisfactory manner of the great problems which still await us. It is not, as the Prime Minister suggested, a mere matter of legal technicalities, a mere matter of petty formalities, a mere matter of petty practices. It is not, as he said, a removing of trifling anomalies and irritating remnants; it is the solution of the problem of the basic conditions which must underlie the relation of Great Britain to her dominions and to all other parts of her empire, and the relationship of the dominions to Great Britain and to each other. There is not now, and there has not yet been attained, an equality of status between Great Britain and Canada, and certainly no equality of status between the imperial parliament and the parliament of Canada if you accept the word "status" in its ordinary meaning and purport. Those who were attempting by the adroit use of words, under the guidance of Lord Balfour, to lay down what they called general principles—but which they also qualified as a theory, a formula and a dogma in the very report cited by the Prime Minister—with respect to equality of status between Great Britain and her dominions, saw clearly that there were differences, and grave differences, which they sought to set aside under the term "differences of function." Now what are the differences of function as between the parliament of Great Britain and the parliament of Canada? They are very grave differences indeed involving, it seems to me, very serious differences in the status of these two countries. Canada may be a nation, as the Minister of Justice (Mr. Lapointe) sought to explain in the address which he made before Le Cercle Universitaire de Montreal, which has been widely circulated in pamphlet form. The minister in a very lengthy argument sought to prove that Canada is a nation. I agree, with the qualifications that he laid down, that Canada is a nation. He also sought to prove that Canada is a state. I admit, within the qualifications that he laid down, that Canada is a state. But the matter of importance, in considering the problem presented by the Prime Minister, is that Canada is not a sovereign state. The parliament of Canada is to-day subordinate to the parliament of Great Britain. The legislative jurisdiction of the supreme and dominant parliament of Great Britain is not restricted by any territorial limits. That jurisdiction extends to the uttermost part of the uttermost limit of a far-flung empire, with respect to which it legislates from time to time ,and its legislation must be construed and applied by the courts of every part of that empire. Great Britain's legislative jurisdiction applies to British shipping on the seven seas, to the sailors on British shipping at sea and in port, and it applies also to the property, to the lives, and to the interests of British subjects, citizens of Canada, citizens of Australia, or citizens of the crown colonies who are British subjects, wherever they may be in any part of the world.

The Canadian parliament has no such jurisdiction. It is, under present conditions, subordinated to imperial legislation which in terms applies to Canada. The Canadian parliament has jurisdiction limited to its own territory, and to a boundary of three miles at sea along its coasts; its jurisdiction does not extend beyond that. This parliament has no jurisdiction over Canadian citizens once they pass beyond the three-mile limit, or beyond the boundary line to the south. It can make no laws which affect them in their conduct when they are beyond the confines of this country. It has been laid down by the Privy Council that the parliament of Australia and its various states, that the parliament of Canada and its various provinces, have not the jurisdiction which appertains to Mexico or Patagonia, or any of the Central American states, or any other sovereign power from Liberia down to Monaco, that of bringing home and punishing there, under Australian or Canadian law, Australian or Canadian citizens who are guilty of crimes committed beyond the confines of their own state. If a Canadian citizen to-day commits a crime in Mexico and returns to this country it is the safest asylum he can find on the face of the globe, because this country cannot commit to prison and punish Canadian citizens for crimes committed by them abroad. This parliament cannot to-day provide legislative safeguards respecting the conduct of its own shipping and its own sailors, its own naval or

mercantile marine, while on the high seas. When we were sending our little Canadian navy to sea before the war I pointed out to the Prime Minister, of that day, Sir Wilfrid Laurier himself, that these naval ships belonging to Canada and carrying Canadian commanders and sailors might commit any crime they pleased upon the high seas and there was no Canadian law under which they could be punished; furthermore, that the parliament of Canada was incapable of passing a law to punish such crimes or misdemeanors committed upon the high seas. The result was that new amendments to the naval law were obtained—from the imperial parliament, if you please—whereby offenders of this character could be punished under admiralty law in the proper criminal courts. This extended jurisdiction of the parliament of Great Britain remains intact to-day. The Territorial Waters Jurisdiction Act of 1878, enacted by the parliament of Great Britain, also applies to Canadian citizens wherever they are found beyond the confines of Canada.

Moreover, there are grave restrictions to the legislative jurisdiction of Canada. The parliament of Canada cannot make a Canadian citizen a British subject throughout the British dominions. There are grave difficulties in connection with our legislation dealing with naturalization. The Canadian parliament to-day, except by separating itself politically and asserting its own sovereign independence, cannot of itself declare war, nor can it of itself make peace. When Great Britain is engaged in war it cannot declare its neutrality without at the same time severing its political connection with Great Britain and the other dominions beyond the seas. In respect of the carrying out of treaties, the Canadian parliament may make legislative provision for implementing treaties made on behalf of the empire, only so far as is necessary for the peace, order and good government of Canada. Again, the parliament of Great Britain has complete legislative jurisdiction over the succession to the throne: the parliament of Great Britain may to-day establish any form of government in Great Britain which it sees fit. Time and again there have been revolutions in Great Britain and different forms of government have been established. But the parliament of Canada must continue to be a Canadian parliament; it cannot of its own accord legislate its own extinction, nor can it of itself set up any other form of government than that which it has at the present time. The power of Canada to federate or to negotiate in any substantial degree with any of the other dominions is always subject to the powers conferred by the parliament of Great Britain.

As the leader of the opposition (Mr. Bennett) pointed out, and as the Prime Minister also contended, Canadian statutes are subject to be declared void for repugnancy, in so far as such repugnancy exists, under the terms of the Colonial Laws Validity Act. If I remember correctly, the Prime Minister inquired of the leader of the opposition whether he was in favour of the repeal of the Colonial Laws Validity Act. Now I ask the Prime Minister not to be sensitive to my personal references to himself, as he appeared to be at one time in the past, because I have a great respect for his office and position, and any personal references I make to him are certainly not with any intent to show disrespect. But the Prime Minister, it seems to me, judging from the discussions of 1926 and 1927, is intellectually utterly incapable of understanding the full implication of the Colonial Laws Validity Act. He fails entirely to distinguish between the repeal of the Colonial Laws Validity Act and the abolition of the supremacy of the imperial parliament itself. The repeal of the Colonial Laws Validity Act by the British parliament would leave applicable to this country a long list of imperial statutes which are still in force, and such repeal would in no sense prevent the imperial parliament from exercising in the future its proper, valid legislative jurisdiction to legislate anew in time of crisis for any part of the empire. The repeal of the Colonial Laws Validity Act would not abrogate in any sense, would not affect or limit in any sense, the legislative supremacy of the parliament of Great Britain. Many authorities have contended—it has been contended even in this country, it has been contended in Great Britain and in Australia—that the continuance of the Colonial Laws Validity Act is in itself a charter of rights for the dominions in so far as it implicitly prevents any acts, other than those made by direct reference applicable to the dominions, being enforced or enforceable in the dominions themselves.

There are therefore grave distinctions, in what the Prime Minister calls functions, between the widely extended functions of the imperial parliament, the widely extended functions of the British government, and those which are vested in the Canadian parliament and the Canadian government. It is significant that when you speak to any English statesman you discover the difference between the views which he holds privately and those which he expresses in public. I

have spoken privately to several Englishmen of high position in England, and those engaged in political life have usually one set of opinions which they express in public and another which they express in private discussion; and it would be difficult to find any Englishman in high position who believes for one moment that the mere agreement among the gentlemen who represented Great Britain and the dominions respectively at the imperial conference, upon certain thereotical principles which they there laid down, is binding in any sense upon the imperial parliament.

I know the Prime Minister cited, with a great deal of gusto, the remarks of Mr. Amery, but to my own mind, with all deference to the Prime Minister, that is a reflection of his sub-conscious sense of inferiority to British authority. I remember, Mr. Speaker, that when we had a grave constitutional crisis in this country, when he himself was the sole adviser of His Excellency the Governor General, he was so filled with that sense of servile submission to the overseas Dominion office that he himself advised the Governor General of Canada, in a domestic matter, to take his orders from the same Mr. Amery. I was more interested when he quoted a Canadian predecessor of his own, Sir Robert Borden, although I do not in all matters think that Sir Robert Borden may have, from time to time expressed the full extent of his own ambition with regard to securing equality of status between this country and Great Britain. In the very passage which the Prime Minister quoted from Sir Robert Borden there is an implication. He made a long statement with regard to the importance and effect of constitutional custom, precept and precedent as distinguished from legislative enactment. In quoting Sir Robert Borden he read:

> The conventions—

Those are the precepts to which the hon. member refers.

> The conventions are superimposed upon the law, and modify political relations without in the least affecting legal ones.

The Prime Minister, in his addresses to this house, and in his addresses throughout the country, which I always read with the utmost interest, because they are reported and sent broadcast throughout the country—I take occasion to smoke a cigar in my library and listen at the radio with gratification to his addresses—makes no distinction between the development of constitutional practice which lies outside the law and the development of the constitution which is provided and created by the statutory enactments of a competent legislature. There is a constitution of this empire. It is a broad constitution and it is found in a series of imperial enactments. It is found in the whole series of imperial treaties which are still in force. That constitution at present is regulated and controlled by those imperial enactments and by those imperial statutes, which form the basis of the legal constitution of the empire itself, and which cannot be abrogated, modified or restricted by any constitutional practice, and therefore it is to those measures that the Prime Minister and his advisers should direct their earnest attention.

At the meeting of the imperial conference resolutions were adopted which the imperial parliament have never approved or confirmed, and which by the way this parliament of Canada has never had the opportunity to approve or confirm; and no means have been formulated whereby the parliament of Great Britain to-day may effectively fetter its own future legislative action with regard to any part of the empire or with respect to any matter within its comprehensive legislative authority. The mere repeal of the Colonial Laws Validity Act would leave matters practically as they are. It was absurd to ask the leader of the opposition if he favours the repeal of the Colonial Laws Validity Act. I would favour it, yes, but undoubtedly what was in the mind of the leader of the opposition was that the repeal of the Colonial Laws Validity Act would not impair or fetter in the slightest degree the dominating supreme authority of the imperial parliament which passed it. I have a reference here to one of those distinguished writers on inter-imperial relations, Jebb, in which he presents a long argument to show that the Colonial Laws Validity Act is really a charter of liberty for the Dominion rather than a fetter, as it merely expresses in a reduced and modified form the restrictions upon the application of its own acts which the supreme parliament had thereby enacted. Its repeal and nothing else will leave the jurisdiction of the imperial parliament just as extended at it is to-day, without any restriction whatever upon the exercise of that legislative jurisdiction with regard to the dominions.

Now these are not mere trivialities. There are laws such as the Merchant Shipping Act, which controls our shipping in every part of the world. I refer to the Merchant Shipping Act, 1894, and more particularly to clauses 735 and 736, which are not consistent with either equality of status or equality of function; although perhaps the Prime Minister may think equality of status does not imply equality of function, and that so long as we

have something akin to equality of status the functions of the British parliament and government may remain as they are. There is also the Admiralty Act, under which the admiralty courts in Canada exercise the jurisdiction conferred by the Colonial Courts Admiralty Act of 1890. Our Canadian laws establish such courts, and their jurisdiction, procedure and practice are still subject to the approval and confirmation of Great Britain. I might go on, but I have not time, to consider a number of other acts, for instance, the Naturalization Act, the Copyright Act and other acts applying to this country. I could recite treaty after treaty which binds this country with respect to its treatment of the subjects of foreign states—but the Prime Minister says that these are mere trifling formalities.

Mr. BENNETT: Technicalities.

Mr. CAHAN: Technicalities. What I wish to urge upon the Prime Minister is this. If we are to attain equality of status, if we are to attain anything approaching equality of function, it is necessary that these imperial statutes should be wiped out.

But what is to take their place? The fault I find with him is that having satisfied the servile consciousness to which I alluded, a consciousness from which the inferiority complex has never been removed, he thinks it sufficient to leave to a body of experts in London to devise ways and means for solving these paramount problems in a way that may not at all be consistent with the views of this parliament or the views of the people of Canada. I have asked in a question before the house as to whether these expert committees which were proposed by the Imperial conference report have ever yet been constituted, as to who were appointed thereon, and as to whether any Canadians had been appointed, and I presume the Prime Minister will give me an answer when that order is reached in due time. But let the Prime Minister remember that every man in this country who is engaged in foreign commerce, every man in this country who is engaged in shipping, every man in this country who is engaged in large exports to the ends of the earth,—every one of these merchants and his legal advisers are wondering what is to take the place of the old imperial statutory constitution when that is wiped out. Take away the Admiralty Courts Act; what courts will be established in this country in the place of those constituted under that act? Take away the British Naturalization Act, and what is to be the status of the individual citizen who leaves Canada and goes to conduct his business in any part of the world? Is he still to be under the protection of the British flag, is he still to be under the protection of the British fleet and of the prestige of Great Britain; or is he to be a mere derelict abroad without citizenship in any country—because Canadian citizenship to-day, as Canadian citizenship, is not recognized outside of Canada?

But I suggest to the Prime Minister, with the most disinterested motive, with a desire as fervent as his own can be to see that the national life of Canada develops along the lines which it has been pursuing for the last eighty years, I suggest that he himself and his government shall in the meantime appoint, as I proposed a year or two ago, a committee of advisory experts in his own country; that he utilize Canadian intelligence and Canadian brains to devise ways and means whereby when he has shattered the old statutory constitution Canada may provide something enduring that will take its place and keep us in political association with the rest of the dominions of the British Empire. Let me refer to an address given by Lord Milner, then Secretary of State of Great Britain, on July 9, 1919, before our Prime Minister was elevated to his present office, and before he and his associate the Minister of Justice (Mr. Lapointe) were ever in the position to make and elucidate these great reforms in our status to which they lay claim at the present time. Dealing with the situation long before the meeting of the last Imperial conference, Lord Milner said:

> The only possibility of a continuance of the British Empire is on a basis of absolute, out and out equal partnership between the United Kingdom and the dominions. I say that without any kind of reservation whatsoever. It is easy to say that, but undoubtedly the working out of it in practice without bringing about a severance of relations between us and the dominions will be one of the most complicated tasks which statesmanship has ever had to face. I am not afraid of it, and yet I have to admit that the difficulties are such that our best efforts may end in failure. I hope not, but at any rate there is no other way out.

Those are the problems which the Prime Minister and his colleague the Minister of Justice and those associated with them are now, in the light of the resolutions of the last Imperial conference, called upon to solve for the nine million people who inhabit this country to-day and for the fifteen million who will inhabit it twenty or twenty-five years hence. In their hands rests the proper solution of these problems, or at least to direct the solution along the right lines, lines

which will assure the autonomy of this country, lines which will assure our hearty cooperation with the other dominions, our continued political association with them and with Great Britain herself.

There were some members of the Imperial conference who, fortunately, perceived the importance and the difficulty of these problems, because the Imperial conference report says that when the conference came face to face with these problems they found:

—that the issues involved were so complex that there would be grave danger in attempting any immediate pronouncement other than a statement of certain principles—

In other words, they stated what they called a theory, a formula, of equality of status which I as a Canadian, proud to be a Canadian, regard as an ideal to which we should constantly strive to attain—an ideal to which we have not yet attained, but an ideal the attainment of which will demand the advice of the best brains that the right hon. the Prime Minister may procure to be associated with him. I say that the time has come now—I said it a year ago—when he should not leave to mere pronouncements by Mr. Amery, when he should not leave to a body of experts in Great Britain, the solutions of these problems. He should have the advice of the best brains he can secure in this country as to the steps which are to be taken when what he terms the "vestiges of the past" are swept away, so as provide durable foundations which shall take the place of the imperial acts and of the imperial treaties, and take their place in such a way as to provide properly for our future political relations with Great Britain and with the other dominions beyond the seas. In attaining that ideal I do not lay the stress I laid forty or twenty or fifteen years ago upon equality of status. We have gone to the length in announcing our desire for equality of status. But let us at least also take into consideration some really constructive efforts to establish on new foundations the real principles and policy which should govern in our future relations with Great Britain and the other dominions beyond the seas.

One word more and I am done. There has been some talk as to whether we should have the power to amend our constitution. The question all depends upon who constitute the "we." The people of Canada, represented by their provincial legislatures and by their federal parliament, have the right to obtain any amendment to the constitution of Canada as expressed in the British North America Act which they may desire with any practical unanimity. It is all very well to say that it is a roundabout and clumsy way that we should first agree as they did in 1867 and then place that agreement before the imperial parliament for enactment; but that is only a matter of form in any event, and although we have had several amendments made to the British North America Act, in no case where we have presented an amendment which we desired to that act has that amendment been refused to this country. Therefore if we ask for amendments to the British North America Act which will provide for us any other way, through the Dominion parliament and provincial legislatures, of enacting statutory amendments to the British North America Act, let us at least first formulate some new entente, some new agreement, that will be binding and that may not be lightly modified, as the basis for the new statutory constitution which this country is to adopt. That problem I think will call for the consensus of the best minds that this country can produce. I see in it great difficulties. I believe I know this country fairly well, although perhaps during the last few years I have not travelled over it as much as I used to do. But we have in this country at present a great deal of agitation, of irritation, with regard to questions of race and religion, and I hesitate to put those questions again into the melting pot in Canada to-day until we have achieved a more united Canada, a more coherent and abiding sense of unity in this country, and therefore I think it is well in that respect to make haste slowly.

Mr. GEORGE W. McPHEE (Yorkton): Mr. Speaker, at the outset I wish to join with those who have preceded me in extending my congratulations to the mover and the seconder of the address on their splendid efforts on that occasion. The hon. member for Hants-Kings (Mr. Ilsley) acquitted himself in a manner highly creditable to himself and with honour to the counties and the province which he represents. The hon. member for Provencher (Mr. Beaubien), making an equally splendid address in his mother tongue, revealed the handicap those of us in this chamber labour under who speak only the one language. Representing as he does a constituency in western Canada, he has the gift of being equally at home in the English as well as the French language.

I also wish to join with those who have preceded me in extending my sincere congratulations to the hon. leader of the opposition (Mr. Bennett) on his election to the leader-

ship of the Conservative party. His years of experience in public life, his wide experience in business affairs, his high legal attainments which make him equally at home in the highest courts of our land as well as in the Privy Council, eminently fit him for the position to which he has been elected.

To the right hon. leader of the government (Mr. Mackenzie King), personally and on behalf of the people whom I have the honour to represent I wish to offer my sincere congratulations on the splendid presentation of the nation's affairs which he made in this house a day or two ago. Frankly, fearlessly and in a manner which, I am sure, will commend itself to all fair-minded people, he outlined to this house and to the Canadian people the progress of Canada under the present Liberal regime. Progress and prosperity, abounding revenues, surpluses of exports over imports, reduction of taxation, remind one of the great years of development in Canada from 1896 to 1911 under the leadership of our great leader the late Sir Wilfrid Laurier. In this connection I recall the words that Sir Wilfrid Laurier used in this house in 1895. After listening to the then Minister of Finance reading from a long list of statistics to prove that Canada was prosperous, Sir Wilfrid Laurier, then plain Mr. Wilfrid Laurier, said:

> When the party which I have the honour to lead comes into power in this country it will not be necessary for any man to read from statistics to prove that Canada is prosperous. I will simply ask every farmer and artisan and mechanic and business man in the country to put his hands in his pockets and there he will find the evidence of his prosperity.

So it is in Canada to-day. On all sides there is evidence of prosperity; on every hand there is a spirit of optimism and buoyancy among our people. The presentation made by the Prime Minister the other day of the nation's affairs stands out forcibly in contrast with the condition that obtained in Canada when he took over the reins of government. I will read from the last address delivered in this house as Minister of Finance by the hon. member for West York (Sir Henry Drayton), under the late Conservative government. Speaking in this house as reported in the fourth volume of Hansard of 1921 at page 3121, he used these words—and this must have been the position in Canada at that time so far as the minds of the members of the Conservative government were concerned because the then Minister of Finance was speaking on behalf of the government. He said:

> We in Canada have a great task before us. The world is sadly out of tune. May we help in restoring harmony? Trust and confidence are sadly lacking. Class interests are advanced with selfish insistence. Unemployment is with us. Faith in our fellowmen is weakened. Doubt of the future is often voiced.

Could any tale of desolation, gloom and dismay be better pictured than that, the benediction pronounced on Conservative governments in this country for some time by the then Minister of Finance? What consolation did he hold out? Let me read just a sentence more:

> The sun still shines—the rivers still sparkle—our lands are as great and fruitful as ever—our resources just as vast.

After giving the picture of desolation and gloom contained in his previous remarks the only consolation held out to the people of this country was that the sun still shone in the heavens and the rivers still sparkled on their way to the sea. Let me read just a line or two more from the same address, because it is necessary for a comparison which I wish to make later on. Speaking in the same connection the hon. member used these words:

> If Canada is to continue to buy as much as she now does from the United States, she ought to sell a great deal more in that market. It is undoubtedly to her immediate interest that she should do so. The position of our trade with the United States, unfavourable as it is, is likely however to be made still more unfavourable.

How much was there to that prophecy? Let me quote the figures. In that same year 1921, we imported from the United States goods to the value of $856,000,000, in round figures, while we exported to the United States goods to the value of $560,000,000, leaving a surplus of imports over exports of $296,000,000 In 1927, we imported from the United States goods to the value of $687,000,000 in round figures, and exported goods to the value of $479,000,000, leaving a surplus of imports over exports of $208,000,000. Instead of our trade becoming more unfavourable the present government reduced an unfavourable trade balance from $296,000,000 in 1921 to $208,000,000 in 1927.

Then I should like to give a few figures, which appear to me to be such that they should be placed on record, as showing the relative per capita wealth of Canada as compared with that of the United States. In 1922, the United States exported goods to the value of $3,771,156,489, and imported goods to the value of $2,608,079,008, leaving a surplus of exports over imports of $1,163,077,481. Dividing that by the population of the United States at that time gives us a per capita surplus of exports over imports for

1922, of ten cents. I am using the years 1922 and 1927 for the purpose of comparison because the present Liberal government has been in power for that length of time. In 1927 the United States exported goods to the value of $4,968,485,000, and imported goods to the value of $4,242,183,000, leaving a surplus of exports over imports of $726,305,000. If we divide that by the population of the United States we have a per capita surplus of exports over imports of only six cents. What are the figures with regard to Canada? In 1922, Canada exported goods to the value of $753,927,009, and imported goods to the value of $747,804,332, leaving a surplus of exports over imports of $6,113,677. Dividing that by the population of Canada in 1922, gives us the figure of 64 cents per head of population of exports over imports. Last year Canada exported goods to the value of $1,267,573,142 and imported goods to the value of $1,030,892,505, leaving a surplus of exports over imports of $236,680,637. If we divide that by the population of Canada we have a per capita surplus of exports over imports of $24.90.

Mr. BENNETT: Are those figures for the year ending March 31?

Mr. McPHEE: These are the last figures. In the last five years the per capita surplus of exports over imports in the United States has decreased from ten cents to six cents, while in Canada in the same length of time our per capita surplus of exports over imports has increased from 64 cents to $24.90, the greatest per capita surplus of exports over imports of any country in the world. It appears to me that these figures tell a story of prosperity which should be advertised to the whole world.

My hon. friend the leader of the opposition (Mr. Bennett) in endeavouring to show that Canada was not prosperous, referred particularly to the railway situation in this country, and at page 14 of Hansard he is reported as follows:

> Then with respect to the railway figures: I am sure the gentlemen responsible for that speech have not closely analyzed those figures, because if the condition that prevailed last year is to continue for another three years, the railways will have no net revenue at all. The truth is that the Canadian Pacific Railway earned last year $3,766,000 more gross than the year before, but their net receipts were $4,700,000 less than they were in 1926; and the Canadian National railway system, while increasing its gross revenues by $2,692,000, decreased its net revenue by five and a half million dollars. Now as its net revenues were only thirty millions it follows that if the revenue of the railway is decreased by five and a half millions every year it will only be five or six years before it has no revenue at all.

I think the best answer to my hon. friend is to place side by side with his remarks the statement of a gentleman with whom I am sure he will agree; I refer to Mr. Beatty, the president of the Canadian Pacific Railway Company. In an article published shortly after the beginning of the year, in which he reviewed the situation during the preceding twelve months, Mr. Beatty said:

> A review of the past twelve months shows that the general business of the country experienced a consistent and widely spread development, based upon very general agricultural prosperity and industrial expansion . . . That business conditions are such is highly satisfactory, but it is also well worth considering why net earnings of the railways show, as they do, a very serious decline. The reason, of course, is plain to see. While wages paid to railway operatives have been advanced during the year, there has been a serious reduction in freight rates on grain, with the result that increased traffic, resulting from better business, has failed to keep pace in revenue with advancing costs of operation. Furthermore, the bad weather conditions during the early months of the harvest delayed shipping, and earnings of the last quarter of the year were further adversely affected.

Mr. Speaker, the country is prosperous. On every side, as I have already said, there is a spirit of optimism. The beacon lights of prosperity are burning across this country from the Atlantic to the Pacific. In our own great western country, notwithstanding unfavourable weather conditions, a good crop has been harvested. Our people are rejoicing over railway construction and increased business generally. The Hudson Bay railway is now assured thanks to the present government and to our energetic Minister of Railways (Mr. Dunning). The mineral developments in that section of the country adjacent to the Hudson Bay railway fully justify the wisdom of this government in pushing the railway to completion. The Hudson Bay Mining and Smelting Company, owners of the Flin Flon mine, have contracted to build on the property during 1928-29 a 3,000-ton per day smelter at an estimated cost of $14,000,000. What is happening with reference to that mine will also happen in the case of other mines in the same territory.

Now, Mr. Speaker, it is just about time to rise for the recess and as I wish to go on to another subject I should like you to call it six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. McPHEE: Mr. Speaker, before recess I was discussing the financial and business conditions of the country, and now I bring my remarks to the section in the speech from the throne which refers to the celebration of the diamond jubilee. Here again great credit is due the Prime Minister (Mr. Mackenzie King) for the extensive plans which he made for that celebration, while credit must also be given to Right Hon. Senator Graham and his associates for the highly satisfactory way in which the celebration was carried out throughout the country. The degree in which the jubilee celebration caught the hearts of our people of all classes and creeds bears testimony to the wisdom of those who laid the foundations of confederation, and testimony as well to the fidelity of those who reared the superstructure on the broad lines of liberty, equality, fair play and justice to all.

I had the privilege of delivering several addresses in the course of the celebration, the largest gathering being in my own town, Yorkton, where there were seven thousand in attendance. Incidentally I may observe that in the way of local prosperity it is no longer a town, as yesterday it attained the status of a city. In another promising town, Theodore, I witnessed as intelligent and fine looking a collection of well taught school children as I have ever seen in any part of Canada. But the two celebrations to which I wish to refer for the purpose of the record were those that took place in localities where the settlers came from continental Europe. At a place called White Sand River Bridge, northeast of Theodore, where I attended a celebration, there were 367 children comprising six school districts, all dressed as patriotically as possible, and each one carrying a union jack. Each child in that gathering was the son or daughter of parents born in central Europe, and each of the five teachers who taught those children daily and who mobilized the gathering, while of Canadian birth, was the son of parents who came to this country from central Europe. These children sang "O Canada" and the national anthem with a spirit that would do justice to any gathering of school children in the Dominion. In another celebration at Rhein, Saskatchewan, where the people have come from Germany, I had the pleasure of addressing a gathering of 250 children. These also were well dressed in patriotic fashion and all carried union jacks. In massed choir they sang "O Canada," first in English, then in French and lastly in the mother tongue of their parents, German. In connection with another celebration later on in the same place I was privileged to attend the presentation of medals awarded by the Governor General for the best essays on confederation. These medals were given to those pupils in the school inspectorates who had written the best essays on Canada's development since confederation, and three divisions were made, the first division being grade 8, the second, grades 9 and 10, and the third grades 11 and 12. I was present when the school inspector pinned the medals on the boys who had won them. In the first division the medal was awarded, in this district, to Henry Graf, whose father came to this country from Germany. An independent judge, in giving his decision, said in reference to the prize essay: "It is carefully written and it has spirit and enthusiasm for Canada." The medal for the second division was won by Michael Ostopowich, whose parents came from central Europe. I put these facts on record because I notice that there is a tendency in certain parts of Canada to overlook the Canadianizing that is going on in our western country.

As I recall the incidents I have related, I think of the words of "The Canadian Immigrant" as applied to the parents of these children about whom I have been speaking:

> We have left the land we have loved so well,
> With tears dimmed our homeland fires;
> We have wandered far, we have wandered long
> To the land of our high desires.
>
> Not for ourselves do we seek the gold
> That lies in the prairie loam,
> But that those we beget may find and hold
> In Canada a home.

Again as I recall these incidents I am proud to belong to the great Liberal party that has done so much for these people because it was under the Liberal government of Sir Wilfrid Laurier and the administration of Sir Clifford Sifton as Minister of Immigration that the policy was inaugurated to bring these settlers to Canada.

Mr. Speaker, let us eliminate all religious and racial animosities in this country and let us bend our energies towards getting into Canada men and women physically and mentally sound and willing to work. If we do that we shall build up a country worthy of the traditions of our past. Let us take the people from England and Wales, with all their love of liberty and freedom. Let us take the people from Scotland and Ireland, with the Scottish

thrift and Irish merit. Let us take the people from France who, in the early days, were the voyageurs and pioneers of discovery and ministration to the North American continent. Let us take the people of the northern countries of Europe, who for centuries have battled with conditions similar to our own. Let us take the people of Germany, with all their knowledge of scientific research. Let us take the people of the other countries of central Europe with their love of pastoral and simple life. Let us take the Italian, with his tradition of sculpture and art, and let us build up in this God-given heritage of ours on the northern half of the North American continent a race combining all the best traditions of the races from which we sprung, establishing here what we hope to see above—a house of many mansions where there is room enough for all.

Mr. T. W. BIRD (Nelson): Mr. Speaker, one is at some disadvantage in following speeches so eloquent as the last two or three to which we have listened. I think you will agree with me that the forty-minute rule is having results that we did not expect. Quantity is giving place to quality.

At the beginning of my few remarks I wish to commend the government and the Minister of Railways (Mr. Dunning) for the energetic manner in which they have applied themselves to the construction of the Hudson Bay railway. That railway, as most of my hon. friends know, lies within my constituency. My constituents are in a position to appreciate or otherwise the efforts of the government in this direction, and I wish to say quite frankly that I have never yet heard one word of criticism of the policy of the government during the last two years. In regard to the change of ports, I am happy to be in a position to commend the government and Minister of Railways in that respect as well. The leader of the opposition (Mr. Bennett) joined hands with the Manitoba Free Press in expressing some doubt as to the wisdom of that change. It is a pity the leader of the opposition should agree with the Free Press only when the Free Press is wrong. We are very proud of the Manitoba Free Press in the west, but after all it is a human institution and occasionally it falls into error.

Mr. BENNETT: Purely inadvertent.

Mr. BIRD: The agreement of the hon. leader of opposition I assume, was equally inadvertent. I personally do not think it is necessary to go very far afield to find a motive for the change that was made. It is not necessary to impugn either the morals or the wisdom of the Minister of Railways, because fortunately there are reasons that are accessible to all who have studied the question which are amply sufficient to justify the change that has been made. The assumption seems to be that years ago there was a very thorough investigation, that a change had been made with insufficient regard to those early findings, and that the Minister of Railways has acted on the say-so of Mr. Palmer. In the first place, Mr. Speaker, I am not quite so sure that those early investigations were thorough-going in any sense of the word. It must be understood that up to 1909 there was never any question of Nelson being an alternate port to Churchill. From 1909 until 1912, when the final decision was made, I am not aware of any investigation being made that would qualify in any sense of the word as being a thorough investigation. It startles one to think that any government or governments should presume to decide an important matter upon such slender grounds. That initial investigation was far from being complete and thorough-going. Since 1912 much water has flowed beneath the bridge at Port Nelson. For four years the engineers of this government resided at Port Nelson and carried on the work of construction at that port. Those engineers naturally had an excellent opportunity of finding out all the possibilities at Port Nelson—four years of close investigation. From that time nothing that is new has been discovered concerning Port Nelson. All that there was to find out was ascertained at that time. So that it is very far-fetched indeed to say that Mr. Palmer gave a snap judgment, because Mr. Palmer had all the reports and all the results of that experience to judge by.

Therefore, Mr. Speaker, I am very much pleased at this point to be in hearty accord with the government and its policy. I think the action of the Minister of Railways is amply justified. The experience of our engineers at Nelson destroyed the old assumption that Nelson was an easy port to develop. The findings of Mr. Palmer at Fort Churchill, when he adopted the common sense procedure of sinking his drills at Churchill, destroyed the assumption that Churchill was a difficult and expensive port to develop. The old assumptions, which were entirely mythical, have been completely reversed, and it has been found that Churchill is the easy port to develop and Nelson the difficult.

Leaving that question aside, I should like to deal for a moment with our natural resources. I was glad to learn from the Prime Minister that at the Dominion-provincial conference there had developed a better feel-

ing of an inter-provincial character; an atmosphere was evidently generated there through which our sister provinces of the east were able to see this matter from our point of view. That is so much to the good. But I regret that the Prime Minister had not something more definite to say. As a member from Manitoba I want to tell this house that the return of our natural resources is the most vital question facing the province to-day, because in the last year or two some of the most valuable of those resources have been alienated from public ownership and handed over to private interests, and the process has been going on almost up to the present time. What is the situation? Here are we of Manitoba sitting helplessly by while our natural resources are being taken from us and given, in some cases, to alien ownership. At the convention of the United Farmers of Manitoba I was instrumental in getting an amendment moved to a resolution dealing with natural resources by which that convention was put on record as being in favour of the retention of our provincial water-powers—and very enthusiastically on record, because a short while before we of Manitoba had witnessed some of our most valuable natural resources alienated from our possession. I understand that the Dominion government has taken the position that the disposal of these resources is a matter for the discretion of the provincial government. After the carrying of that motion I was approached by a member of the legislature, a supporter of our provincial government, who repudiated the contention that the provincial government had any responsibility at all. He said: We are not responsible for this; the responsibility rests at Ottawa. We in Manitoba at this moment are in the position of having responsibility for our natural resources bandied backwards and forwards between Ottawa and Winnipeg, and it is an alarming situation.

Now, Mr. Speaker, I am one of those who does not subscribe altogether to the doctrine that it is to our national benefit to get rid of our natural resources as quickly as we can. Their exploitation at any price is not one of the things I entertain in my economic or political creed. The hon. member who preceded me (Mr. McPhee) in a very eloquent passage of his speech, which I admired, dealt with the celebration of our diamond jubilee. Well, if there was one blot upon the formal celebration it was the bragging we did in regard to the amount of natural wealth that we possess. I do not think it is dignified for a young nation to be too chesty and self-important because Providence, with no special regard to it in particular, placed those treasures where they are at the present time. I am anxious that our natural resources should be developed as speedily as possible, but I want to see them developed in harmony with a policy that will bring the greatest amount of good to the people at large. These streams of material blessings which we expect to flow from our copper mines, our gold mines and our forests will not of themselves, I suspect, begin to irrigate and bless the homes and the lives of the common people of Manitoba. This is the task of statesmanship, not to sit by and pay deference to the moneyed men of east or west or south or across the sea, and express a readiness to give these resources away, but rather to see that they are exploited in such a fashion that the people of the province, the pioneers who have borne the burden and the heat of the day, shall somehow get their share of that benefit.

With regard to our minerals in the north, I confess that they are of a peculiar nature. It does not seem to me there is very much hope that in the near future we shall be able to dig our copper or our gold in a way that will affect beneficially the ordinary farmer or labourer in any visible form whatsoever. Some people cling to the myth that somehow or other the speedy exploitation of our copper and our gold will bring indefinite blessings to the ordinary people. I do not believe it. I have never seen it happen. Unless there was some direct policy adopted by the powers that be, there could never be any hope that the exploitation of our resources by private capital would benefit the ordinary average citizen. Even on the basis of private ownership I think Manitoba has a right to dispose of her own precious metals. I do not think that the mining of these treasures can be economically developed by long-distance administration. So long as we are in a different position from Ontario or Quebec or British Columbia in this regard our mining development is going to suffer. I have no criticism at all of our Mines department. That department cannot do the impossible. It cannot administer the Manitoba mines as sympathetically and efficiently as, for instance, the provincial Department of Mines at Toronto can administer the mines of Ontario. Therefore it stands to reason that the early and efficient development of our copper and other mines in Manitoba demands that the government at Ottawa should at the earliest moment hand over these resources to the provincial authorities.

In our pulpwood we have a species of natural resource which presents its own prob-

lem in Manitoba. We have in it a very rich natural resource which exists contiguously to that class of farming land in Manitoba which has never been any too productive, farming land on which for a good many years men and women have lived and eked out a most precarious living. Our timber resources stretch, I was going to say, in a never-ending line diagonally across the province and are bordered by a class of farmer whose condition is no advertisement for Canada. This is an opportunity for statesmanship so to exploit our pulpwood as to work hand in hand with this struggling class of farmers who exist along the border line of the forests of Manitoba. I maintain that that is not being done; that our forests are being rifled and depleted according to no rule of any kind that I can see. The whole situation, so far as I know it, is one of utter confusion and it is certainly not playing into the hands of the man who has toiled on the little homestead all these years. We cannot too soon see to it that in some way or another these pulp resources are going to be of some benefit to that class of settler, not only for the present but for years to come.

In our water powers in Manitoba we have a great deal of pride. Manitoba is the third or fourth province in the dominion with respect to this form of natural wealth. It is a form of natural wealth which is inexhaustible, which requires no expenditure of our effort to renew it and which lends itself in a peculiar way for exploitation by the public and for the public. Inasmuch as it lends itself to the benefit of the people, just so much does it lend itself to the covetousness of the moneyed interests upon this continent. Within the last year we in Manitoba have seen our most valuable water power site alienated from public ownership. Last year in this chamber we men of the west stood up in what we thought to be a righteous cause. We thought we would stand between private interests and the consumer in Ontario, and when a raid was being made upon the water powers on the Ottawa river we came loyally to the assistance of the champions of the people. But within the short space of a year we have had the most valuable water power site in Manitoba given away without this parliament and without the people of Manitoba having had any say whatever in the matter. That kind of thing is a discredit to this parliament. This is a source of natural wealth which, by its very nature, lends itself to successful exploitation by the people themselves, a form of natural wealth which can easily be conveyed to every home in Manitoba so that it can make its tangible benefits felt in the way of dissipating the drudgery which overshadows the lives of our people in the west.

So much for our natural resources. I want to say a word about the tariff board. At the convention of farmers held at Portage la Prairie I said a few unpremeditated things about the tariff board and since that time I have been very severely expostulated with by a good many of my friends. I want to make it clear that I have no criticism to offer against the personnel of that board. They are all very clever and efficient men, and if they have an opportunity to put in a stroke for the consumer I am quite sure they will do it. But the reason I criticize the tariff board is precisely this, that I am jealous of any body, no matter by what name you call it, that steps in between government and the people whom the government governs. Jealousy is sometimes based upon very unsubstantial grounds, I know, but if I had the time I think I could quote concrete instances to bring to your mind the fact that all such bodies, no matter what they are, always lend themselves in the course of time to the creation of opportunities, far too numerous, of defeating the interests of the people in the interests of the few. That is my contention and I do not think it can be very well gainsaid. I do not care about the personnel; it may be the most trustworthy that you could find. I do not care what the regulations are by which it is governed; they may be the wisest you can conceive. I am thinking not of to-day, but of to-morrow, of the future. This intermediary body, call it a board or a commission, steps in between me as a citizen and my government, and I contend that it has no right to be there. I do not want it to influence either the government or myself. I do not want to be blinded and I do not want the government to blind itself.

This tariff board in my estimation acts like a breakwater against which the waves of public opinion break and shatter and disperse before they are allowed to reach the halcyon calm of the cabinet council. That is what I believe and no one has as yet shaken me in that belief. I know this and I do not think I am using satire when I say this; I do not intend to use satire. I think the government and its supporters, if they are honest, will recognize with me that the present government could not exist at all if it did not compromise on the tariff question. It is not a low tariff government or a high tariff government; it is a government which has perforce to compromise in order to exist, a government which within itself contains represenatives of both elements of public

opinion. I know that in order to have the necessary atmosphere of calm, the necessary stability to carry on, it is essential somehow to temper the shocks of public opinion on the one side and the other before they reach the precincts of the council. It is better to have the clash outside than to have it within. I do not criticize compromise; I have learned to think that perhaps it is necessary in this country; but I do not want to see the compromise settled down at a point where the people are going to continue to be penalized. If there is going to be compromise, if we are going to settle down to a state of balance, it must be much nearer to a point where the people get something like justice. We have this shock absorber erected between public opinion and a government whose very character renders it somewhat necessary. But I, as a man representing a farming community, cannot sit quiet and allow any body, no matter under what pretence it exists, to shield any government in any way whatsoever from the expression of public opinion that my people expect me to make.

They say the board is a fact finding body. The hon. member for Marquette (Mr. Glen) justified it on those grounds. I have as much reverence for facts as anyone; facts are serious things, and a fact scientifically established is a thing you cannot escape; when it is fixed it is always a step in progress. But are these so-called facts anything of that character? I do not believe they are. These facts are very imposing, of course, and I must say that they gave my hon. friend an opportunity to make a very excellent and telling speech indeed, but at the best they are statistical facts although some of them are very spectacular. I have listened to speeches of that kind for seven years, speeches just as effective, which arrayed facts just as well, but what does all this fact finding amount to? It amounts to nothing, and it cannot amount to anything. I do not know that a statistical fact, even when you have found it, does any more than simply give the professional juggler of facts just one more opportunity, and the consumers of Canada are not concerned with sleight-of-hand. They want action; they want results. There is only one fact with which they are concerned, and you do not need to go around by Robin Hood's horse stable to find that fact. The consumers of the country are only interested in the fact that the manufacturers of Canada have been riding on the back of the Canadian farmer for the last few generations, so why do you want to erect all this machinery in order to rub that in? What the Canadian farmer needs is not a tariff board at all; he needs to organize himself to come down here and make it impossible for governments to carry on until some redress is given him. The farmer has been fooled once, and he will be fooled again, by being side-tracked by such will-o'-the-wisps as these.

Now we are told that this is a fact finding body but not a fact interpreting body, that what this body produces is not interpreted facts but simply masses of evidence, and everyone knows that evidence does not constitute facts. We have listened to evidence given before committees of this house, and we know that evidence is not facts. On most occasions evidence is a hay stack of miscellaneous representations in which there is sometimes embedded an occasional jewel of fact, something such as my hon. friend resurrected to-day. These facts are often the kind which are intended to adorn an election speech and make it look like something, but the people of Canada do not want ornamentation any more; they want action. They want this government to move in the direction of lower tariffs, and to move at once. I might offer a constructive suggestion to the government, and it is not far-fetched because we have precedents for it; as I have said, this tariff question in Canada has reached a sort of impasse, in which we cannot expect any great leeway unless public opinion changes, and here we have a government sitting where it is because it is supported by low tariff votes. This government is in existence to-day because its majority is maintained by men pledged to low tariffs.

Miss MACPHAIL: And women also.

Mr. BIRD: I think it is the duty of the government to take the low tariff opinion of this house into consideration. I do not think low tariff men are unreasonable, with perhaps the exception of one or two whom I could name. We do not want to bring about the Kingdom of God over night, but we would like to see our tariff stabilized at a point lower than it is at present, which would be more consistent with justice to the producers and consumers of this country. There is no reason why a government supported in the way this government is supported and depending as it does on low tariff support, should not frankly state its case to the low tariff opinion of this house in order to secure in return an expression of public opinion as it exists in Canada to-day. Let the government find out what the low tariff opinion of this country means, what it demands, and what it is out for. I cannot see any other way in which the government can be carried

on honestly; I do not think this government can honestly exist a moment longer if some such arrangement is not made. This government cannot expect low tariff men to keep it in power unless some move is made to meet low tariff opinion, because the government is putting some of its own supporters into an impossible position, which will not be tolerated back home.

Now just a word or two in regard to immigration. I think we get into the habit of talking about immigration as we talk about natural resources, without regard to underlying facts. We say, "Let us fill up the country, make it populous and great". Most of us, when we catch ourselves by surprise, are megalomaniacs; we worship what is big, and we speak of things in quantitative terms. We do not stop to take heed of the human elements which exist all around us, and when we talk of immigration I am afraid we forget to consider the happiness and contentment of our Canadian homes. As we understand immigration in this country to-day, Mr. Speaker, it is competition; our immigration policy has been shaped not with the view of meeting the needs of the farmers but the needs of the urban centres. Our immigration policy professedly exists to flood our country with farmers, and no one can convince me that that is not bringing the farmer up against unfair competition. If you flood our western country with wheat producers, there is no power on earth which can prevent the price of wheat from falling. I know that from year to year the world demands increases, but it increases at an ascertainable rate, and our immigration policy should have some relation to that rate of increase; otherwise you are deliberately attacking the standard of living of our western farmers.

I would like to pin down, if I can, this immigration myth with respect to Manitoba, and I am sorry I have no figures for the provinces further west. Our Minister of Immigration (Mr. Forke) is from Manitoba. It is a matter of regret to me that the former leader of the Progressive party should be placed in such a position that his efforts, however excellent, are bound to be futile or to work injury on the people who placed him where he is. I find according to a government publication that for the year ending March 31, 1926, about 17,000 immigrants came to Manitoba. About 50 per cent of this number were agriculturists, or 8,913, to be exact; and of this number 70 per cent, or 6,239, were adult males, the real farmers. Thus we received in that year as many farmers as we could place on vacant lands which can possibly be farmed. According to another publication there are 5,135,634 acres of unused land in organized territory in Manitoba. About one-half or 54.26 per cent of this belongs to the public and may therefore be assumed to be practically worthless. You can take my word for it that it is worthless or it would not belong to the public at the present time. Of the other half, which we assume is worth something, only 9.57 per cent is good, 46.50 is medium, and the rest is worthless. This leaves 1,250,000 acres. This would make 7,800 farms, and in 1926 we had actually 6,239 farmers come to Manitoba. Can anybody tell me where they are going? They are not going on our farms; they cannot get on to them. They are drifting away to Winnipeg, and over the boundary at Emerson into the United States. Now figures of this kind let light into this furore of propaganda about increased immigration. The facts are that we do not need it as far as Manitoba is concerned. It is something else that we need: we want to make our Manitoba homes comfortable, contented and happy, and that is what they are not. I want to tell you—

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

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay, Translation): Mr. Speaker, as I had not the privilege of addressing this honourable house last year, might I be permitted to take up a few minutes in order to congratulate you on your being elected for the third time to the so exalted post of Speaker of this house. The whole province of Quebec prides itself and rejoices in seeing in the Speaker's chair of the House of Commons of Canada, one of its most distinguished sons. No doubt exists in my mind that sooner or later you will be called upon to fill higher posts, if not in the administration of this country, at least in other parts of the world.

Together with all the citizens and catholics of the province of Quebec as well as all the catholics in Canada, I rejoice in the elevation to the cardinalship of his Eminence Monseigneur Rouleau, archbishop of Quebec. I am glad to see that the new primate of the Catholic church in Canada, is a citizen of the province of Quebec. The custom has always been that the cardinal, in Canada, should be a bishop from the province of Quebec and moreover having his see in the city of Quebec.

May I also, Mr. Speaker, extend my most sincere congratulations to the mover and seconder of the address in reply to the

speech from the throne. They performed the task assigned to them with grace and dignity.

I am pleased to observe that the government has fulfilled a duty: they have acknowledged the rights of the French Canadian minority in Ontario, by calling to the upper house one of its distinguished citizens, in the person of the hon. Senator Lacasse, and I think that all the French Canadian people of the province of Quebec, as well as those of other parts of Canada, will give credit to the government of the Right Hon. Mackenzie King for such a fair and just act.

Recently Canada reached another pinnacle. Since it has joined the League of Nations, we have had the pleasure to see the hon. Senator Dandurand, a cabinet minister in the present administration, become president of the sixth meeting of the League of Nations. Moreover another very important post has been allotted to Canada: we now have the high honour of occupying a seat in the council of the League of Nations. No doubt if such a great honour has been bestowed upon Canada, it is naturally due to its importance, to the unique position it holds among the other nations of the world, but it is also due to the courtesy, dignity, experience and international relations of the hon. Senator Dandurand.

The speech from the throne mentions the appointment of ministers to Japan and France. No doubt that these two new appointments will be of a nature to reflect still more gloriously upon the Canadian nation, and further the progress of our country in the path it is now pursuing.

The speech from the throne also mentions the visit to this country of the Secretary of State for Dominion Affairs, the Right Hon. Mr. Amery. He is here, so it seems, to try and devise, together with Canada, the most efficient way of representing our country in England. He may be prompted by the best of interests, both as to his views and the way of proceeding in the matter, but at the same time we are informed that certain vessels of the admiralty are coming over to replace other vessels in Canada. These things, sir, may have their good side, but might I remind the government that in all these matters, one must act deliberately and wisely, and not take any decision which might lead us into very costly ventures, like what took place in the past. I might repeat here: Timeo Danaos et dona ferentes.

The speech from the throne, referring to immigration, says that the government will, by carrying out its policy, endeavour to attract here citizens capable of becoming good Canadians, who will help to develop the country and contribute to the Canadian nation's greatness. I would like to see such a selection, and I think that all those who come here from foreign countries can be assimilated, if we are careful as to where we locate them. As mentioned, the other day, by the right hon. Prime Minister, it is difficult to attract the best citizens of the countries of Europe. The best people of those old countries have emigrated to the United States or Canada. Allow me sir, to congratulate the government for having granted a subsidy of $150,000 to the province of Quebec, so as to help in the repatriation of the French Canadians who have emigrated to the United States. I think it is a sound measure and wise policy.

May I also draw the attention of the government to the fact that they should inaugurate a policy which would help the people of the province of Quebec and those of the eastern provinces wishing to settle in the western provinces, to reach that part of the country on better and easier terms than in the past. The people of the province of Quebec who, in certain cases find it impossible to remain any longer on our old lands would like to obtain the same privileges as foreigners enjoy. I trust that the government will give its full consideration to this question and grant to our people of Quebec and the old eastern provinces, the same advantages as those granted to the newcomers of European countries.

The Prime Minister, the other day, pointed out all and each of the most important activities of the administration. He gave the country a clear and precise statement of all that had been done during the good administration of his government. He clearly showed that the present government has been able to establish stability in the country, impart confidence among all classes of society, reduce duties and taxation and at the same time carry out the necessary work to help the progress of the various sections of the community.

The speech from the throne, Mr. Speaker, also refers to the construction of the Hudson Bay railway. I am not opposed to it. I also believe that the members of this house are neither opposed to it, at least those who sit to your right, Sir. Nevertheless, I think that while we are constructing this railway, the government should not forget the building of certain railways in the province of Quebec—or the improvement of certain lines —which have been needed for a number of

years and on account of which, part of the Gaspé peninsula—the counties of Gaspé and Bonaventure—is threatened with depopulation.

The government should find a solution to this problem of ours, as soon as possible, so as to keep among us the citizens of Quebec.

The speech from the throne contains an item about a new airplane service for the carrying of mail from Rimouski to Montreal. I congratulate the government on this matter. It is a new departure, and one must be up to date these days, we must not drag behind. There is but one thing that the speech from the throne has forgotten perhaps to mention, it is that I myself had the honour to obtain from the Postmaster General (Mr. Veniot) the establishment of a similar service to carry the mail by airplane from Murray Bay to the Seven Isles and the island of Anticosti. I therefore wish, on behalf of the whole population of the counties of Charlevoix and Saguenay which I represent, to thank the government and the Hon. Mr. Veniot for having solved this so urgent problem which affects all the people of that section of the country. This service is not perfect. I have already drawn the attention of the Postmaster General to this matter. He can rest assured that every day I shall give him no peace so long as the service is not improved in such a way as to provide for all the needs of these people.

I have asked the government—and I hope that the hon. Minister of Trade and Commerce (Mr. Malcolm) will comply with my request later—to grant a subsidy to private companies which are in a position to operate ice-breakers so as to maintain a regular service during the winter, along the north shore between Murray Bay and the island of Anticosti. I trust that this question as well as others will be settled to the satisfaction of the electors which I have the honour to represent.

The speech from the throne further mentions the interprovincial conference. Apparently, at this conference, many questions of interest to both the Dominion and interprovincial governments were discussed. Nothing but good can be the outcome of such conferences, and it would be desirable to hold them oftener. A matter of the utmost importance and to which I want to draw the attention of the government, is the improvement of certain highways in various parts of our province and in the counties which I have the honour to represent. As you are aware the question of highways is a provincial concern; quite so. Nevertheless there are certain far-off districts which are so sparingly populated, and territories so little organized that the provincial government is unable to provide for all the needs which crop up every day in the various parts of these new territories. I appeal to the government of this country to come to an understanding with the province of Quebec so as to solve the problem in such a way that the postal service, the travelling and trade facilities can be kept up in a satisfactory manner. No doubt that through the distinguished and worthy representatives who hold office in the Dominion administration, we shall obtain justice.

Mr. Speaker, last year the government enacted certain legislation; the Farm Loan and Old Age Pensions Acts. I congratulate them on that score and I trust that the government of Quebec will take advantage of the legislation which has been included in the Statutes of Canada so as to give the benefit of these two acts to its citizens.

Yesterday afternoon, I listened to the speech delivered by the member for Temiscouata (Mr. Pouliot). The hon. member was careful enough to state, at the outset of his remarks, that he was speaking solely on his own behalf. I thank him; otherwise, I think, he would have discovered that there were members to your right, sir, who do not share his views nor would they have stood by him. For my part, I repudiate all that was said on that occasion by the member for Temiscouata; I repudiate the insinuations levelled at the Prime Minister of the province of Quebec. The member for Temiscouata seems to take exception to a clause in the speech from the throne delivered at the opening of the legislature, in Quebec, on the 10th of January last, and which reads as follows:

> My ministers believe that Canadian unity and the future of Canada will be best assured by respecting provincial autonomy and by remaining loyal to the British North America Act in the spirit as well as in the letter.

This clause included in the speech from the throne and delivered at the opening of the Quebec legislature could well have been inserted in the speech from the throne delivered here, at Ottawa, on the occasion of the opening of parliament. Nobody more than the government of the province of Quebec wants the government at Ottawa to observe the federal pact. The Dominion as well as the provincial government wishes to uphold this pact; because without it we would not know where we were drifting nor how we could safeguard our rights, language, religion and freedom.

Exception is taken in certain quarters because on certain questions, the Premier of

Quebec, shares the same views as another prime minister, the Premier of Ontario. But, sir, can we prevent people sharing our views?

If the Premier of Quebec expresses an opinion and the premier of another province holds the same views, can we infer on that score that both walk hand in hand and are of the same party? I do not think so. Whenever the Quebec and Ontario Premiers met in conference I rather think that it was the Prime Minister of Quebec who led the way and that the former followed in his footsteps, it was not the Quebec Premier who followed. I, personally, know too well the Hon. Mr. Taschereau to think that he can be swayed by the views or bow to the opinion of another person; he is too sincere, upright and loyal, he holds too much to his opinions.

It seems to be rumoured in certain quarters that the Prime Minister of Quebec does not always agree with his friends in the Dominion government and the Liberal party at Ottawa. I shall ask my kind friends to recall where was the Premier of Quebec in those dark days of 1911, 1917, 1921, 1925 and 1926. He stood by the leader of the Liberal party carrying on the struggle by his side with all his energy in every riding of the province of Quebec; he stood beside my humble self, helping me to win the two united ridings of Charlevoix and Saguenay. If we answered: "Aye ready! when he asked us to help him in the provincial elections, he also, at the general elections of 1911, 1917, 1921, 1925 and 1926, answered back immediately: "Aye ready!" He was ready, he has always stood by us when we were in need of him. And if my memory fails me not, Mr. Meighen has often taken him to task for his campaign in 1925, and again he referred to this fact recently in Winnipeg. When partisans of the Liberal party, who had always been friendly to Sir Wilfrid Laurier, left him in the great crisis of 1917, the distinguished leader of the Liberal party in the province of Quebec remained faithful to him, and again, later on, he carried on the struggle side by side with Mr. King, Mr. Lapointe and all the other party leaders. I do not hesitate to state, knowing Mr. Taschereau as well as I do, that he is without gainsay one of the first citizens of this country. Among all the prime ministers of the provinces of Canada, none are greater. I am fortunate and honoured to include him among my friends, to follow his counsels and benefit through his experience. With the exception of the eminent men who are at the helm of our government to-day, and the distinguished ministers from Quebec, at Ottawa, no one has worked harder and more effectually than he for the success of the Liberal cause in the last Dominion elections, and a great part of the success obtained may be attributed to his good work and valuable co-operation.

Mr. Speaker, knowing the ins and outs of both the Dominion and provincial administrations, I have no fear in stating that—and I think that all those who sit to your right, sir, will agree with me—for ever so long, the most cordial intercourse has existed between the provincial and the Dominion governments. Mr. Taschereau is the worthy successor of the most eminent prime ministers of the province of Quebec, of Sir Lomer Gouin the Hon. Mr. Parent and the Hon. Mr. Marchand, who reflected such great honour upon the Liberal party and who also have shown that the Liberal party alone in Quebec as well as in Ottawa, was able to solve the financial problems both of Quebec and Canada. Some members may think otherwise—the hon. member for Temiscouata (Mr. Pouliot), perhaps— nevertheless I think that no one will hand down to posterity a more worthy name than that of the Hon. Mr. Taschereau.

What impresses us most in the speech from the throne, are the great results achieved by the present administration; peace, union and harmony exist since we have such a government.

We have a Liberal government, both in Quebec and Ottawa, and business is flourishing; I trust that, together with all my Liberal friends, both provincial and federal, we shall have for a long time to come Mr. Taschereau at the helm of the Quebec government, and the Right Hon. Mackenzie King in charge of affairs at Ottawa. These two governments will ensure the union, peace and harmony existing to-day, and I feel certain that Canada will continue to move forward in the path of progress, and that Quebec will enjoy an era of prosperity unparalleled by any government of that province.

Mr. H. B. ADSHEAD (East Calgary): I have been very much interested in the discussion that has taken place on the speech from the throne and I must compliment my hon. friend from Hants-Kings (Mr. Ilsley) on the admirable presentation he made of his case in moving the address in reply. It seems that one of the functions of the bi-party system is that, whenever a member on the right of the speaker rises, he shall tell us all the good things there are in the speech from the throne, leaving aside all reference to anything else, while those to the left of Mr. Speaker seem to have the faculty, as the

hon. member for Muskoka-Ontario (Mr. McGibbon) demonstrated the other night, of pointing out nothing but the evil. In my view our endeavour should be to give expression to criticism, not vindictively but in a friendly spirit, pointing out wherein there are errors, while at the same time giving credit where credit is due.

The hon. member for Hants-Kings made the statement the other day that there was great prosperity in the country and that the chief point at issue was the question of distribution. He left us just there, making no attempt to show how the present method of distribution should be remedied. As I see it, that is the whole question. The machines of Canada can produce more than the Canadian people can consume, although under present conditions they are not able to buy all the products they require for their own necessities. The farming communities are confronted with this very problem. Consider the various processes through which the farmer's product passes, to each of which a profit is attached. The farmer takes his wheat to the elevator and there is a fixed charge there; the elevator stores it and there again there is a fixed charge; the railway company transports it and there is another fixed charge. And each one of these charges is based on a calculation which yields profits to those who handle the commodity. Not so with him. My hon. friend from West Calgary (Mr. Bennett) some years ago was engaged on behalf of a gas company to make a plea, which he did eloquently before the utilities commission, in relation to the price of gas for that company. He based his argument upon fixed charges, depreciation and also a fair profit, and in view of the argument the utilities commission decided to have the price of gas fixed on the strength of these conditions. At that time the price of oats was twenty-five cents a bushel. I took home wth me the argument of my hon. friend from West Calgary and, calculating in accordance with the method which he had used in behalf of the gas company, I found that the price of oats should not be less than sixty cents a bushel. But in our agricultural communities it does not matter whether the grade of wheat is No. 1 or No. 2 or No. 4: the cost of handling the commodity is based on a system of profits and the farmer has to take just what is left. That is one of the reasons for the misdistribution of our so-called prosperity. Whenever there is a large crop the country at large prospers while the original producer does not get a fair share of what is left.

I come now to the Imperial conference, and in this regard I was interested in the argument of the hon. member for Argenteuil (Sir George Perley). I gathered from the hon. gentleman this afternoon that in his opinion a sort of imperial parliament should meet in London, the president of that parliament or committee to be the Prime Minister of Great Britain, with the representatives of the colonies sitting around, the assembly to solve foreign problems, questions of peace and war, and problems of foreign diplomacy. That very sane idea was put forward at the Imperial conference of 1911, when Sir Joseph Ward of New Zealand made such a proposal. Mr. Asquith, then Prime Minister of Great Britain, rose at once and observed that in matters of foreign policy and of peace and war the responsibility could never be shared. He held it was utterly opposed to the principle of responsible government and that the foreign policy of Great Britain must always be decided in Downing street, who were entirely answerable to the British people. These policies, the conduct of these affairs, he intimated, could never be the subject of shared responsibility. I have never seen any retraction of that statement. I know that Mr. Lloyd George confirmed the idea, and I know that in practice it is still carried out. When the treaty of Lausanne was being negotiated we were not consulted, but were simply asked to sign on the dotted line after it had been negotiated. When the treaty of Locarno was negotiated we were not asked if we had anything to say about the matter, but after it was all completed we were asked to sign on the dotted line. Last year I asked the Minister of Justice (Mr. Lapointe), whether Canada had been consulted in regard to sending warships to China. He said not a word. So that we are at war, whether we will it or no, when Great Britain is at war, but have nothing to say about the matter except that we are at war, as the hon. ex-leader of the Conservative party (Mr. Guthrie) said. The hon. member for St. Lawrence-St. George (Mr. Cahan) says he does not like Canada to suffer from any inferiority complex, and he stated that the Prime Minister was suffering from an inferiority complex. He wanted matters to be settled by Canadians and did not want Canadian destinies to be settled in London. If that is so, then much more should we have something to say about questions of life and death and peace and war, especially when 60,000 of our Canadian boys lie in Flanders fields. The proposition that we should not have anything to say in re-

gard to peace and war is one which no self-respecting Canadian can accept, and if the wedge is driven in, if the old country authorities are determined that we shall not have anything to say in this matter, it is they and not we who are driving the wedge between the motherland and the Dominion.

I was very thankful last year that the Prime Minister intervened at the last moment and granted us the last post fund under which Canada would not be so humiliated that we would have to go out in the streets and beg in order to provide funds enough to bury the indigent returned soldier. I thank the Prime Minister very much for dealing with that matter and granting our request. However, there is one little matter that remains to be dealt with yet. They sent the auditors to the various Canadian legions; I know they sent them to Calgary. They audited the accounts and said they were all right, took them back to Ottawa and we received word that they were confirmed. I should like to draw the attention of the government to the fact that they have failed as yet to send a cheque. It may be said it is only a little matter, but in my opinion it is rather important. I should appreciate it very much, and I know that the Canadian legion would appreciate it, if the government would fulfil that promise and send a cheque to the various Canadian legions to pay the bills they have incurred for the burial of returned soldiers.

Last year the question of aviation occupied considerable time in this house. A promise was then made that civil aviation would be made entirely separate from military aviation. Some members to my right seemed to think that as the air force had done good work in the war, and so they did—they should necessarily continue in the force as regards civil aviation. I am glad that the government promised that civil aviation should be entirely separate from the Royal Air Force. There is, however, a feeling among the returned soldiers that the promise is not being carried out. It is true I received a letter from the Minister of Militia and Defence (Mr. Ralston) intimating that as far as the private pilots were concerned they need not even be British subjects, that they might receive their certificates and be in no way obliged to be on the military reserve. Captain McColl, Canadian ace, who figured largely in the war, called me up and showed me his commercial certificate; and I may say that the returned soldiers who are engaged in aviation at the present time are very anxious that a complete separation of the civil from the military force should take place. On Captain McColl's certificate as a commercial pilot there is the statement that he is automatically on the Royal Air Force. I have a letter from the deputy minister stating that while that is in the regulation, it is a dead letter; it has not been carried out and probably will not be But in order to satisfy fully the returned soldiers I feel it is the duty of the government to say so; they should inform these men that they are not in any way connected with the military force. The government will be well advised to take into consideration the suggestion of putting the civil aviation on a footing entirely separate from the national defence; it should be under either railways and canals or marine and fisheries.

I come now to the question of the returned soldiers. I may say, Mr. Speaker, that for various reasons I have a warm spot in my heart for returned soldiers. I may be wrong in my estimate, but I am certain of this: that there is a feeling among the returned soldiers, and there is a feeling in the Canadian legions at Calgary and Ottawa, that the returned men, when making application for re-examination, or making appeals, do not meet with a sympathetic attitude on the part of those who are examining them. I am not positive that that is the case, but I know that the Canadian legions and many of the returned soldiers with whom I have conversed feel that way. Whether it is so or not I think the department and the hon. Minister of Health, (Mr. King, Kootenay) should give instructions that the medical men who examine our returned soldiers should at least be sympathetic and treat them as if they were equals, not as if the examiners were captains and the applicants privates in the department.

I cited last year for the benefit of the minister the case of a man who upon enlistment stated frankly—it was on his sheet—that he suffered from incipient Bright's disease, but he added: "I do not want to be a slacker; I am here if you like to take me as I am." We took him. I say "we" because I was responsible along with other citizens of Canada. When he came back from the trenches his disease was aggravated—I mentioned that to my hon. friend the minister in the house last year. He applied for a pension. They brought down his files, told him it was a pre-war disability, and nothing was done about it. That case was fought from May, 1918, until 1927; for nine years it was considered, which shows how tardy and how unsympathetic, in some cases at any rate, the treatment of returned soldiers has been. And what is the result? Here is the result. I got word

from the Canadian office, from the official adviser of the soldiers, who wrote me as follows:

> No doubt you will remember this case. The man was suffering from Bright's disease and was refused treatment or pension on the grounds that it was not aggravated on service. The man went to England and I was finally able to get the department to grant him pay and allowance. He received £50 this year.

After nine years' struggle they granted him pay and allowance; but when the postman took the letter down the street and knocked at the door the poor fellow lay in his coffin. I could quote one or two other cases of that nature. I say there is either too much red tape or too much delay in these matters, and I submit, sir, that men who offered their lives for us on the fields of Flanders should receive far different consideration at our hands.

Now I come to immigration. Last session I had occasion to put some questions to the Minister of Immigration (Mr. Forke) and he answered me along these lines: I can assure my hon. friend that there will be no flooding of labour in the towns and cities; all men who come here are going to farms either as farm help or as purchasers, and in six weeks from now there will be no unemployment, every man will be absorbed. I went home believing that, but as soon as I landed off the train in Calgary I saw three or four hundred Czechoslovakians walking the streets in search of jobs. They were willing to take anything they could get at from 25 to 30 cents an hour, to the detriment of Canadian workingmen. I wired to the Immigration department. We had been informed that an officer of the department, known as the superintendent of colonization, was supposed to look after immigrants on their arrival. I asked what his duties were. I was told he had to see that immigrants went to the places where they were supposed to go. But there was no superintendent of colonization accompanying these Czechoslovakians. They were brought in by the Canadian Pacific railway and landed at Calgary and other centres, where they were taking jobs at very low wages from Canadian workingmen anxious to secure work. Then I telegraphed the Prime Minister, and I wish to give him credit for his prompt attention, for he at once ordered an investigation. The investigator corroborated my statements in every respect. As soon as the investigator submitted his report the Minister of the Interior (Mr. Stewart)—he was the Acting Minister of Immigration while the minister of the department was away in England with Mr. Egan looking for more immigrants—I am informed cancelled the agreements with the railway companies, and thus put a stop to further immigration of this kind. I wish to give him and the Prime Minister every credit for their prompt action, but the point I want to bring out is this: We must have what I would term responsible immigration; and, further, the words of a minister given across the floor of the house that there is going to be no flooding of labour in our cities must be lived up to fully, to the very letter.

I think it was last session that I asked the Minister of Immigration: Do you consult at all with the provinces regarding their requirements for immigrants? And his reply was: Well, not exactly. I hope that the recent Dominion-provincial conference has changed that state of affairs. I think Mr. Brownlee's proposition is sound and would relieve the federal department entirely of responsibility if immigrants were brought in in excess of our requirements. He proposes: That it should be ascertained that immigrants coming in to buy farms have the necessary capital; that there should be a standard for the selection of immigrants; that in this selection the capacity of each province to absorb immigrants should be considered, and that the provincial authorities should advise the federal Department of Immigration in regard to their requirements. I think if the federal authorities would consult each provincial premier as to the class of men the province wanted, how many it wanted and when, the responsibility would be assumed by the provincial authorities, and the Department of Immigration would not be placed in the very unenviable position in which it found itself for a month or two last year. As I said before, I am very happy to give credit to the Prime Minister and the Acting Minister of Immigration for relieving the situation at that time as quickly as they could. At the last convention of the Alberta Federation of Labour it was stated that a large number of those Czechoslovakian immigrants were mechanics and knew nothing at all about farming, and that a number of them had secured work in the coal mines at Edmonton, thus depriving Canadians of work which they are rightfully entitled to. Before I came away the city of Calgary had incurred an expenditure of some five or six hundred dollars in looking after Czecho-Slovakians and Ukrainians who were sick and penniless and homeless in the city. I

wrote to the Department of Immigration here asking if they would foot the bill, but they said there was no appropriation for the purpose. So the city of Calgary will have to pay for looking after people whom they had no voice in bringing to this country.

I entirely agree that the contented farmer is the best advertisement for immigration that Canada can have. If you had farmers on the land who were prosperous and contented you could not keep immigrants out unless you put up a quota bar. To spend money and bring out men to settle on the land when those who are already here can barely make a living, is only going to increase the number of the discontented. We must make conditions on the land prosperous before we invite more settlers. I should like to see more immigrants from the British Isles, but as England is a highly industrialized country, and those in the rural centres do not seem very ready to leave the land, it follows that those who come here from the industrial centres are not exactly fitted to take up agriculture. A year ago a number of them came here from the mining districts, but they were entirely unsuited to our conditions, and for this reason some of them had to be deported.

As has been stated in this house before, what we require in immigration is quality rather than quantity. I happened to meet Dr. Miller recently, at one time professor in the school of technology at Calgary. He went over to the United States and after three or four years returned to Calgary. He said, "Well, I have been three years in the United States, and they have almost made a pretty good Yankee of me." I replied, "That is too bad, Doctor. But will you tell me what are the qualifications to make a good Yankee that are not necessary to make a good Canadian?" In other words, the character of a man rather than his nationality is what counts. We have heard a good deal about foreign immigrants. I was present at a Canadian club meeting when a proposal was made to organize a Canadian club among the Ukrainians. A very laudable object, I suppose, but I think we are wrong if we suppose that because a man happens to have been born in another country and speaks another tongue he does not appreciate and value Canadian institutions when he becomes a Canadian citizen. I hope none of us are labouring under such a great mistake, for the majority of our immigrants become good Canadians. I have in mind a gentleman from Winnipeg whose father and mother, Icelanders, could not speak a word of English, yet he, their descendant, is a graduate of Manitoba University, a Rhodes scholar, a member of this house, and a credit to Canada. I think my Canadian friends who were organizing the Canadian club were very much astonished when I told them of this fact. It is a very good thing to organize a Canadian club among the Ukrainians, but to assume an attitude of "I am holier than thou" or "I am better than thou" is rather beside the mark. I told them that in our house sitting quite near me was a gentleman, the hon. member for Vegreville (Mr. Luchkovich), whose parents could not speak a word of English, who himself is a Ukrainian, who graduated with honours at Manitoba Law School and who is to-day a member of the House of Commons of Canada. Surely these things ought to show us that it is not necessarily nationality that tells as much as it is the character of the man whom we bring to this country. I was glad to hear the hon. member for Yorkton (Mr. McPhee) speak of the assimilation of different nationalities. I am strongly in favour of a mixture of those nationalities which, for certain physiological reasons, are capable of assimilating. I think Ruskin says something like this:

> Every nation has within itself some peculiar characteristic which it alone has and which it alone can make as a contribution to building up civilization and each one of those characteristics should not be curbed but should be developed in order that in the building up of this human temple of civilization each one might produce its peculiar characteristics and give its contribution to the civilization of the day in which it lives.

I fear sometimes that when we meet with these people whom we call foreigners there is an attempt to submerge them, to tell them they must adopt our Canadian ideals. I value Canadian ideals; I value the Magna Charta; I value the struggle for liberty; but I am sure my friends in Switzerland value William Tell just as much as I value corresponding heroes in Canadian history. When I went to the Ukrainian temple and saw the pictures on the wall I asked who they were, probably thinking they were some terrible bolshevists or communists. They pointed with pride to men who had struggled for liberty just as our nation had struggled for liberty. I did not attempt to disparage them. In valuing those ideals we must remember it is the ideal that counts, not so much the symbol that stands for it. That is my idea of the question of immigration and assimilation. After all, what is it that makes the British nation strong? Were they all Anglo-Saxons to whom that strength is attributable? Not at all. It was the intermingling of those nations from

northern Europe, Angles, Saxons, Normans, Jutes and Danes, that made the British a strong nation, and those countries which isolate themselves and keep themselves from everybody else are the ones that begin to decay.

I come now to the question of trade and commerce. I was very much interested in reading the account of what the hon. member for West Calgary (Mr. Bennett) said in Vancouver. He is reported as having uttered these words:

> We must decide within the next few years if we are to combine with other parts of the empire or combine with economic interests elsewhere. It is economic union within the British Empire or with our cousins to the south.

I notice that he has advanced a stage in our relationship with the people to the south. They used to be "our neighbours" to the south; now they are "our cousins". He may get a closer relationship by and by. What I think my hon. friend ought to do is to state explicitly what he means by an economic union. If he means by an economic union, free trade within the empire, I will hold up both hands for it. I do not know whether he means that we are going to be forced into free trade with the United States or not. I do not know that I would hold up both hands for that at the present time, but I would hold up both hands for a reduction in the tariff between this and other countries. But if by economic union within the empire he means freer trade and lower duties, he will have to settle with the manufacturers' association, because if there is anything that the manufacturers' association have fought before the tariff advisory board on occasions when I have heard them, it is the British preference. If we want economic union within the empire we must maintain the British preference to a greater strength than it is at the present time.

As regards the question of trade and commerce, I should like to know why we severed relations with Russia and why we destroyed trade which existed with Russia. I have never had an answer to that question. If the Russian people in Ottawa or in Canada generally have violated any confidence given to Canadians, if they have done wrong in Canada, I am quite willing to support the idea that for that reason we should sever diplomatic relations with those people. But if we severed relations with Russia simply because Mr. Baldwin did it or, as the hon. member for Labelle (Mr. Bourassa) said last year, if we simply put up our umbrella because it is raining in London, then I say, as the hon. member for St. Lawrence-St. George (Mr. Cahan) said this afternoon, that we are certainly exhibiting an inferiority complex. He was extremely desirous that Canada should settle Canadian affairs upon a purely Canadian basis or because purely Canadian interests were involved.

The hon. member for Nelson (Mr. Bird) rather objected to the tariff advisory board. As both sides of the house agreed that the tariff advisory board was a very necessary institution in order, as they said, to take the tariff out of politics, I do not know what else we can do than seek to protect the ultimate consumers by presenting their case properly before that board. I am rather proud to say that I gave my little mite in order to keep Mr. Deachman at the tariff advisory board as representing the consumers of this country. I am not at all ashamed of that fact. The hon. member for Marquette (Mr. Glen) this afternoon brought out the fact that some of these people, made, during the year 1918, according to their own evidence, 291 per cent on the actual capital invested. The house will remember that the year 1918 was the time of greatest stress that Canada or Great Britain or the allies knew in fighting the Germans. That was the darkest year of the war. Extra duties were imposed upon cotton in order to raise revenue for war purposes, and at that particular time when we were in the greatest stress, when your boys and my boys were over yonder fighting for liberty, these gentlemen sitting in a directors' office in Montreal declared a profit of 291 per cent on the actual capital invested. It is no wonder that one gentleman who appeared before the cost of living committee said: "We are not running this business for the glory of God but for the profits of the shareholders".

I may say in passing that I attended a banquet to the tenth battalion. Although I suppose I would be called a pacifist, I was proud to attend that banquet and to address the returned men. Sir Archibald Macdonell was there and confirmed my statement. When I spoke to those boys I made bold to make this statement, and I make it now: If Canada is dragged into another war it will be against my strong personal opposition, and not simply because Mr. Baldwin or Mr. MacDonald says so. If that should occur, then so far as I am concerned we will strive for one thing more; no one in Canada will be allowed to stay at home and make huge profits while our boys are fighting in the trenches. We will all go to war, lawyers, doctors, and everyone else; we will all get $1.10 a day; no one will make these extor-

tionate profits, and no one will get the richer the longer the war lasts. When I mentioned that fact at the banquet of the tenth battalion I was surprised at its reception. I said it rather hesitatingly, but every man jumped to his feet and cheered, and even Brigadier-General Macdonell said: "Put it there, old man; I agree with you". I believe every returned soldier is against another war, but if it should come I know every man of them will insist on this condition and I will take the same stand.

I have one more word to say and then I am through. Last year the Minister of Finance (Mr. Robb) told us that no reductions were to be made in the tariff because no reports had been received from the tariff advisory board except on a few minor articles such as epsom salts and so on, and he did not think it right or worth while to bring down any reductions in the tariff. I accepted that explanation at that time and voted for the budget precisely for that reason. Now the government can have no excuses of that sort; the tariff advisory board has made fact finding reports in more cases than one. I see my friend the Minister of Railways (Mr. Dunning) is not here. I am sorry, because when he was in Calgary he said that we in this corner attempted to foist our ideas upon the government and tried to bludgeon them. I do not want to use the bludgeon, but because I want to be true to my promises and true to the principles I enunciated in my nomination and my election. I said then that I was for low tariff and that I would support a low tariff; I must take a definite stand. I told the government last year that they could not run with the hare and hunt with the hounds. One of the members in that corner said last year that he believed in a high tariff, and I was very much astonished to hear that from the Liberal side. I wonder what Doctor Clark or Sir Wilfrid Laurier or Sir Richard Cartwright would have thought of that? If you believe in a high tariff, go to the side of the house where you belong, where there are other men who believe in it and where they advocate high protection. One vote either way does not mean very much, but I want to say that you must bring forth fruits meet for repentance. You now have reports from the tariff advisory board, and something concrete must be brought down; something must be put in the budget to show that you meant what you said and that what was given given last year as a reason was not a mere excuse. Some reduction in the duties on the necessities of life must be made in the budget which is to come. If that is done according to your promise and according to the statements which you made last year, I shall be content to support your budget. But if there is nothing done by way of reducing the tariff; if there is nothing there to show that you have acted in good faith and in conformity with the facts found by the tariff advisory board, I am afraid I shall not be able to support your budget.

Mr. Speaker, I have finished my few remarks. I hope it will not be considered that I have been using the bludgeon, because in my criticisms I have not said anything in a vindictive way, and I hope my remarks will be taken in the spirit in which they are made.

Mr. JAMES STEEDSMAN (Souris): Mr. Speaker, in rising to take part in this debate I do so while suffering from a physical disability with which I have been slightly troubled of late, and I may find it necessary to curtail my remarks. I shall confine myself, therefore, to one or two subjects in which I am vitally interested.

Much has been said during this debate with regard to the wonderful prosperity in Canada at present, and something has also been said as to the part played in that prosperity by the production last year of the second largest crop of wheat in our history. I believe this to be true, Mr. Speaker, but I should like to point out also that the farmers of Canada are not sharing in that prosperity in the proportion to which they are entitled. This, of course, is due to many reasons, one of the most important being the poor quality of the grain this year. As the hon. member who has just taken his seat mentioned, no matter what the quality of the grain might be the handling charges remain the same; consequently the returns to the farmer this year are much less. In my opinion the main reason for this condition is the ravages of rust; this is true of the whole province of Manitoba, at any rate, and perhaps a large part of Saskatchewan as well. It is a condition which is not confined to wheat alone; the oat crop over the area which I have mentioned was almost a complete failure last year, and that adds greatly to the difficulty of the farmer.

Just at this point I would like to give the government credit for the fact that they have established in Winnipeg a well-equipped and well-staffed laboratory for the purpose of studying and combating this rust menace. We have been alarmed, however, at statements, or rather rumors, issuing from an unknown source, to the effect that we are likely

to lose the services of some of the most expert members of that staff because their salaries are not sufficiently large to induce them to stay. It would appear to me, Mr. Speaker, that a country holding the proud position of the greatest exporter of milling wheat in the world—for that is the position now held by Canada—can surely afford to engage and retain the services of the very best experts to be found anywhere in the world to combat this menace. I have stated that the farmers are not reaping a sufficient reward for their labour, and I believe that if they are to continue in the production of such crops as have recently been harvested it is necessary they should be relieved from some of the burdens at least under which they are suffering at the present time.

It has been suggested during this debate that this session we may expect reductions in taxation. What form these reductions will take we have not been told, but I should like to point out that one of the greatest burdens from which the agriculturists of Canada are suffering is the protective duties. There was a discussion the other day as to whether or not the tariff is a tax. To my mind that is neither here nor there; if it is not a tax it is certainly a burden on the producers of this country. I do not wish at this time to discuss the tariff at length, but I must say that the agriculturists of Canada, particularly those in the west, are looking for reductions in the tariff on many of the articles that enter into the cost of living and the cost of production. And are they not justified in entertaining those expectations? My hon. friend the member for Marquette (Mr. Glen) pointed out this afternoon that last year the Finance minister made the boast that this government are a low tariff government and are proud of it. If that be so the people are justified in expecting reductions in the tariff this year.

Now I wish to discuss another point. A situation has arisen in my constituency which is perhaps common to other constituencies located, as it is, along the border line of the United States in the prairie country. Many of the residents of these constituencies immediately along the boundary line have had, for one reason or another, which is their own affair, occasion to cross over into the adjoining state of Dakota. In order to do so they secured a permit from the customs officials, and trouble has arisen because they have returned to their own homes, oftentimes late at night, instead of driving a further distance of twenty or twenty-five miles, as the case might be, in order to report to the officers and return their permits. That has resulted in heavy penalties and fines being inflicted upon men who were absolutely innocent of any desire to break the law, and a number of such cases have been brought to my attention. I want it clearly understood that I am not seeking to defend smugglers or those engaged in smuggling. I am speaking to-night in the interest of innocent, honourable, law-abiding citizens who live on the Canadian side of the border. In the report of the royal commission on customs and excise various statements are made with which I agree. Among other things it is asserted that the customs offices in the west are not all located at the most advantageous points from a strategical point of view, particularly in the province from which I come. The ports of entry are confined to the railway lines, which in many cases are a long way from the border, and this involves, of course, much extra travelling back and forth for the people who live between the custom houses and the border. Now I am quite sure that the minister (Mr. Euler) in framing the regulations responsible for these penalties, had no desire that innocent people should suffer from them, and right here I want to do him the credit of saying that in every case in which I have appealed to him on behalf of innocent sufferers in my constituency he has shown great consideration and sympathy and has done his best to afford relief. But would it not be better in the interests of all concerned if such occurrences could be avoided? I think it is possible to prevent them from happening to a large extent.

Among other things the royal commission has suggested cutting out a number of the ports of entry, on the ground that there are too many of them in existence. That may be true; as to that I will not venture an opinion. I am convinced, however, that many of them are not located where they can best serve the objects for which they were called into existence. As I have already said, they are established along the railway lines, while the traffic between the two countries in the particular locality to which I have reference is almost entirely by automobiles on the highway. In the constituency which I have the honour to represent, two provincial highways lead directly to the boundary line of the state of North Dakota, linking up there with highways on the other side and thus making it possible for international traffic to pass back and forth. I submit that is where the ports of entry should be located. Should the government see fit to consider this suggestion and put it into effect it will not only relieve

the situation of which I have complained, but it will be of immense advantage to the travelling public who pass backward and forward at the points in question, and will also provide a more efficient check on smuggling. It will make the smuggler's way harder and render it easier to check him up and so stop this nefarious practice. The minister is not here tonight but I trust he will heed the suggestion I have made, because I am convinced that it would be of advantage, and I know positively that it would relieve the situation in regard to which I have had so many complaints from people living immediately along the boundary line.

Mr. F. W. GERSHAW (Medicine Hat): I wish first of all to congratulate the mover and seconder of the address, who performed their task in an eloquent manner. It is no easy matter to begin a debate of this nature and they set a very high standard. As a member from Alberta I also wish to congratulate the leader of the opposition (Mr. Bennett) on the high position which he now holds. The people of Alberta have a special pride in his success. When he returned from the Winnipeg convention the people in the different organizations in his home city of Calgary gave him a welcome extending almost over a week. He was enthusiastically received in the capital city of Edmonton; in fact political and sectional differences were set aside and he was warmly applauded and honoured throughout the province.

The debate so far has been of a high order and free from unpleasant personal references. Many problems of national and international character have been discussed, and I hope to speak of some things of a more purely local nature. The leader of the opposition has presented the immigration problem as an issue. His words as reported at page 22 of Hansard, in reference to the getting in of new settlers read:

> It cannot be done in any small way; it cannot be accomplished in any niggardly way, but is must be done in a large way. It involves the expenditures of vast sums of money and, more than that, it involves a large and comphensive policy of settlement.

Later on he pointed out that the province of Alberta had increased in population from 1921 to 1926 to the extent of about 19,000; that is to say, it had increased from 588,000 to 607,000, or about three per cent. Who will say that we could properly assimilate a very much larger increase? At any rate, if that does seem small, I hardly think that the Liberal government here or the Progressive government in Edmonton should be blamed, because I believe the causes are more economic than political. Let us see what some other agricultural districts have done during that same time. A census of some of the leading agricultural states in the American union shows an even smaller percentage of increase during the years from 1910 to 1920. Here are the actual figures: Kansas, an increase of five per cent in ten years; Iowa, five per cent; Kentucky, five per cent; Missouri, three per cent; North Dakota, ten per cent, and South Dakota, eight per cent. This is for a ten year period, and bear in mind that it covers the years from 1910 to 1920, during a considerable portion of which the war was in progress and prices were high, so that the drift was towards the farms. I cannot obtain the figures for the corresponding period from 1921 to 1926, but I think we may safely say that the rate of increase was not very much greater, because those were the years when there was a collapse in prices after the brief post-war boom; and they were the years of hard times in the farming districts both in the United States and in Canada.

As an illustration of the way in which prices have fallen, let us note that in February, 1920, the price of No. 1 Northern wheat was $2.15 whereas in 1921 it was $1.85; in 1922, $1.29, and in 1924, 99 cents. In other words, during that period the price of wheat had been more than cut in two. The price of coarse grains also followed the price of wheat. Now, the people had contracted certain obligations during these periods of high prices. Some men went on the land with the idea of producing food for the people of the world during the period of national crisis. When prices moved down these farmers found that they had to produce twice as much farm produce as they did before if they were to meet their obligations. Under such circumstances they were unable to carry on and many of them had to move out. Every one who has followed the trend of things in this country knows this to be true. Parliament itself officially recognized this state of affairs, for during the last session there was a revaluation of soldier lands. What was this but a recognition of the very fact which I have been stating?

Besides soldiers other settlers took up land during these times of peak prices and as their obligations were not reduced they encountered great difficulty in paying their way. During the past few years things have been a little better. The price of farm produce has increased, the prices of the things the farmers have to buy, machinery and Ford cars, have been reduced, and the price of

wheat has again advanced. But although there has been some measure of prosperity it is not as great as has been advertised. A good crop seemed to be almost within grasp of the people of southern Alberta but owing to unfavourable weather conditions only about fifty per cent of it could be threshed. Many people were unable to meet their obligations in respect of such relief as they had obtained during the long series of dry years and in respect also of commitments in connection with pre-emptions and interest on pre-emptions. If the people of the east knew how difficult it was for the people on the farms in the west to pay back the money advanced to them for fodder and relief they would agree with us that these old claims should be cancelled, as should be also the interest on pre-emptions. The people of Canada as well as this government owe much to the men and women who now find themselves unable, through no fault of their own, to meet these obligations.

This year there has been widespread dissatisfaction over the grading of grain. The present arbitrary system depends to a great extent upon the judgment of the inspector; consequently it lacks scientific accuracy. There is on the order paper a resolution regarding this subject and I assume that it will be fully debated later, but the producers would be glad if the Minister of Trade and Commerce (Mr. Malcolm) would start an investigation with a view to working out some more satisfactory system of grading if this is at all possible.

Now, what policies should be adopted to modify or improve these conditions? I do not believe that bringing in a large number of immigrants at the present time would solve the problem unless living conditions are made happier for the people who are already here.

The cost of transportation must be as low as possible, and surely the Crowsnest pass agreement must be retained.

I do not think higher protection would help.

Let me quote from Senator Robinson, of Kansas, as reported in the Congressional Record, page 1554, with reference to conditions in the United States. The following are the figures of the failures:

	State banks	National banks
1918..	20	...
1919..	50	4
1920..	119	10
1921..	204	47
1922..	277	55
1923..	578	77
1924..	613	121
1925..	361	103
1926..	722	...

The total liability was $165,000,000 in 1925. He says that the bureau of labour reports that employment is twenty per cent less than it was in 1920, and that there is a decrease of one-seventh in the payroll from 1920 to 1927. The index figure of employment in manufacture in 1920 was 118.8, and in 1926 it was 92.4. So we see that even in a country with a more highly protective tariff the condition has not been altogether good, and surely the condition would not be so good if the protection were increased in Canada, which is largely a producing country. We have a population of nine and a half millions and produce enough wheat to feed sixty millions. Many thousand cattle have been shipped to the United States this year in spite of the Fordney-McCumber tariff. I should say above all things that what we need as a primary requisite is a reduction in cost of living, and the one best means by which that can be secured is reduction of the tariff.

I recall with some interest the work of the tariff board. There have been a great many applications for tariff reductions. Many of the manufacturers have applied for tariff reductions because they are anxious to get their raw material at the lowest possible rate. Then there are a great many household articles of every day use on which reductions should be made. The average rate of duty upon enamel-ware and aluminum-ware is higher than upon silks and velvets, higher than upon jewellery, higher than upon fancy furs. The cotton schedule needs lowering in the worst possible way. It is so high now that it is stifling imports. Actual imports of cotton goods, measured in yards, on a per capita basis, are probably not more than one-half what they were in 1914. We cannot say that this is due to a change in the habits of dress of the people. There is a larger per unit consumption of cotton goods now than ever before. Merchants are appealing to the Minister of Finance to drop the sales tax. Millionaires are asking him to reduce the income tax, although few others favour its reduction. Revenues must be found, and I take the liberty of making this suggestion: a reduction in the rate of duty upon many items would be a considerable help in increasing the revenue. The rate is now so high that it constitutes an embargo upon imports, thus raising prices without making any material contribution to the revenue, with the result that the producers of this country are compelled to pay high prices and at the same time make contributions in other ways to the revenues, which under more reasonable conditions would come from customs taxes.

Raising tariff rates very frequently lowers actual revenue; reducing rates is apt to increase them.

In the milder climate of Alberta there are great numbers of horses, unused, running wild both winter and summer over the prairies. Since the war there has been little or no market for these horses, but the Department of Agriculture succeeded in selling about 3,000 of them to the Russian government during this year. The price is low, but otherwise no market could be found for the light horses. The horse owners appreciate the efforts of the Dominion and provincial departments of Agriculture and hope that these trade relations may be continued, as many more horses are available and every possible market for them should be developed.

Another problem much discussed in Alberta, and which means a great deal to returned men and others, is the getting of coal from the mines of that province to the markets of central Canada. This is such an important matter that boards of trade all over the country have passed many resolutions urging that something be done, and the government will make no mistake in taking the considered opinion and decisions of the men who make up these boards.

One other matter to which I wish to direct the attention of the government, and in which the west is tremendously interested, is that of branch line construction. There are many districts in western Canada in which rapid development is impossible because of the lack of railway facilities. In the constituency of Medicine Hat there are two branch lines required. One of them has been promised; very definite promises were made in regard to it several years ago. Many farmers have moved in and waited and waited, but as the line has not been completed they have had to move out. I realize the view held by some people in the east in regard to these matters. I have only this to say: in the older sections, where railway development has taken place, the resultant progress has certainly justified the act. I plead for generosity in the attitude of the house on this question. The history of Canada reveals a long record of struggle and doubt in regard to the wisdom of certain policies of railway construction. Sometimes we acted in haste; beyond question there were times when we built ahead of actual necessity, but taking into consideration the size of the country and the problems we had to face, we may pass lightly in judgment upon mistakes of the past. Railway building is not finished in Canada; it cannot be. If we are to make progress we must have a greater mileage than we have at present, and if good judgment is exercised the construction of these branch lines will mean not greater burdens but the actual lifting of burdens now borne.

[Mr. Gershaw.]

On motion of Mr. Smith (Cumberland) the debate was adjourned.

PARLIAMENTARY LIBRARY, PRINTING AND RESTAURANT

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the Senate informing this house:

That the honourable the Speaker, the honourable Messieurs Green, Hardy, Ross (Middleton), Sharpe, Taylor and Watson, have been appointed a committee to assist the honourable the Speaker in the direction of the restaurant of parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a joint committee of both houses on the said restaurant.

Also,—A message informing this house that the honourable the Speaker, the honourable Messieurs Aylesworth, Sir Allen, Beaubien, Chapais, Gillis, Gordon, Griesbach, Hardy, Hatfield, Laird, Lewis, McDougald, McLennan, Poirier, Taylor, Turriff and Webster (Brockville), have been appointed a committee to assist the honourable the Speaker in the direction of the library of parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a joint committee of both houses on the said library.

And also,—A message informing this house that the honourable Messieurs Aylesworth, Sir Allen, Buchanan, Chapais, Donnelly, Farrell, Green, Hatfield, Legris, Lewis, McDonald, McLean, McLennan, Murphy, Pope, Raymond, Robertson, Sharpe, Taylor, Todd, White (Inkerman) and White (Pembroke), have been appointed a committee to superintend the printing of the Senate during the present session, and to act on behalf of the Senate as members of a joint committee of both houses on the subject of the printing of parliament.

ADJOURNMENT

DEATH OF EARL HAIG

Hon. ERNEST LAPOINTE (Minister of Justice) moved the adjournment of the house.

He said: The Prime Minister wishes me to say that he has been advised that the funeral services of Earl Haig in London tomorrow will be held in the morning, so that it will take place many hours before this house meets; also that a memorial service will be held throughout Canada on Sunday, February 12th, by the Canadian legion, and in Ottawa there will be a service in Keith's theatre at three o'clock in the afternoon of that day, to which hon. members are invited.

Motion agreed to and the house adjourned at 10.30 p.m.

Friday, February 3, 1928

The house met at three o'clock.

CIVIL SERVICE ACT AMENDMENT

On the order:

First reading of bill to amend the Civil Service Act (Director of Public Service)—Mr. Campbell.

Mr. SPEAKER: This bill provides for the appointment of a director of civil service whose duty it shall be to co-ordinate the staffs of the various departments.

As such an appointment would involve an expenditure of money, the bill must receive the recommendation of the crown before it can be entertained by the house. Section 54 of the British North America Act provides that it shall not be lawful for the house to adopt any bill for the appropriation of any part of the public revenue to any purpose that has not first been recommended by message of the Governor General and our standing order No. 60 states that all motions made for charges upon the people must be first referred to the committee of the whole before any resolution of the house do pass thereupon.

It seems therefore that the bill cannot be introduced by a private member. I know that I allowed it last session when the hon. member gave very little explanation on introducing it, but I should certainly have ruled it out of order had it come up for second reading. I therefore rule that the present motion is out of order.

BRITISH COLUMBIA LANDS

On the orders of the day:

Mr. S. F. TOLMIE (Victoria, B.C.): I desire to ask the government if the report from Commissioner Martin with regard to the return of British Columbia lands has been received and when we may expect to have it laid on the table?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The final report has not been received. An interim report has been received, and I think I might undertake to have it laid on the table on Monday.

UNEMPLOYMENT IN NOVA SCOTIA COLLIERY DISTRICTS

On the orders of the day:

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Yesterday my hon. friend from Cumberland (Mr. Smith) made reference to certain reports in regard to the use of American coal for bunkering purposes on Canadian vessels. I caused inquiry to be made, but I have not yet the full details in regard to the matter. As soon as I get the details I shall communicate with my hon. friend in regard to it. In the meantime, I want it to be understood that it is the stated policy of the Canadian government to use Canadian coal on all our boats and I am very much surprised to hear that certain reports have been made along the line mentioned by the hon. member. The stated policy of the government is to use Canadian coal and I shall see that that policy is put into practice. If an exception has been made, I shall see that the matter is corrected and that our policy, which is very well known, will be continued.

FARMERS BANK LIQUIDATION

On the orders of the day:

Mr. R. K. ANDERSON (Halton): I should like to ask the Minister of Finance (Mr. Robb) if I may have a copy of the final statement of the liquidator of the Farmers Bank showing the receipts and disbursements.

Mr. ROBB: At the moment I can see no objection to it. I shall inquire at the department and communicate with my hon. friend on Monday.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Thursday, February 2, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. R. K. SMITH (Cumberland): Mr. Speaker, I regret that, due to a railway tie-up on account of storms on the Canadian National railway between Montreal and Nova Scotia, I was not able to be present at the opening or to hear the mover and seconder of the address, I had occasion to read their speeches in Hansard and I think, with those who have preceded me in this debate, I can very sincerely tender my congratulations to those hon. gentlemen. Perhaps, I can go a step further with respect to the mover of the address, and say that the government of this country is to be congratulated upon paying a tribute to the province of Nova Scotia by selecting the mover of the address from that little province by the sea. I am sure the province will appreciate the honour and will also acknowledge that the mover of the address worthily upheld the capabilities of those coming from there.

I do not know, Mr. Speaker, that I need pay attention in any specific way to the speech from the throne. It has been referred to by all those who have spoken as being of an empty character. I think it might be said that it was a skilfully prepared document, closely and scrupulously evading anything of importance to the Dominion of Canada, and it probably will go down in history as a state document which would take first prize in respect of what it does not contain rather than for what it does contain.

I should like to make reference to the fact that the national fuel and steel question was omitted from the speech from the throne. The hon. member from Bow River (Mr. Garland) referred to this fact in his address yesterday, and made it clear that this matter has been long delayed by the parliament of this country. Definite action is an urgent necessity and the question should be taken into earnest consideration without further delay. I was pleased, Mr. Speaker, to hear the statement in the house to-day from the hon. Minister of Marine and Fisheries (Mr. Cardin) with respect to information received by me that Canadian government boats were being fueled with American coal at the port of Halifax. Yesterday afternoon I attempted to ask the question in the house and Your Honour ruled it out of order for what was probably a very good reason. The telegram I read to the house yesterday was followed by another telegram received by me last evening, and I am going to crave the indulgence of the house to read this second telegram now. The statement of the Minister of Marine and Fisheries is very refreshing to us and I am sure will be appreciated by all those who live in Nova Scotia. The last telegram I received reads as follows:

> Suggest you raise in house question of authenticity of following statement which appears in Evening Mail Thursday February second:
> "Unemployment conditions are serious in sections of the mining centres of Cape Breton; Workmen are idle, women and children are in want of food and clothing. The situation is due to the fact that there are not sufficient coal sales during the winter months to keep the Nova Scotia mines operating at full time. In the meantime on the Halifax waterfront to-day two Canadian government ships the Arleux and the Lady Laurier are having their bunkers filled with United States coal—coal mined by United States workmen and brought to the capital city of one of the greatest coal mining provinces in the world. Was there ever a greater outrage, was there ever a greater sham than the slogan of the politicians, 'Canada for Canadians'"?

If that report is true, Mr. Speaker—and I have no reason to doubt it—it seems to me that, as stated in the telegram, the slogan, "Canada for Canadians," is certainly a sham

of the worst character. The coal districts in Nova Scotia are in a very bad condition at the present time as far as employment is concerned. In the isle of Cape Breton, which is part of the province, thousands of workmen are idle and their families are in destitute circumstances, due to the fact that the operators cannot find a ready market for their coal at this season of the year. And yet boats owned and operated by the government of this country are being fueled with American coal at the port of Halifax! It seems to me that immediate steps should be taken not only to ascertain whether this is being done, but, if such is the fact, to have the practice cease without any delay, because as long as it is allowed to continue—and I understand that it has been going on since 1921—you will lose entirely the respect of the people of Nova Scotia. And let it be remembered that one-fifth of the population of that province is directly dependent upon the coal and steel industry. Therefore any action that tends to prevent employment being secured by the miners of Nova Scotia is deeply resented by all.

Now, with respect to the coal industry in Nova Scotia, let me remind the House that this is not a new question. In 1924 a delegation came to Ottawa headed by the then premier of the province, the Hon. Mr. Armstrong. That delegation presented their views and their claims to the government of the day and in no uncertain terms stated that unless some immediate steps were taken to remedy the then deplorable situation in the coal fields of the province calamitous results would follow. After that, Mr. Speaker, came the recommendation in an addendum to the report submitted to the provincial government by Sir Andrew Rae Duncan—not the Dominion Duncan report, but the provincial. In that addendum Mr. Cronyn, one of the commissioners, recommended to the government of Canada that this industry be placed on some sort of stable basis, insisting that it needed more tariff protection in order to compete with imported coal. I should like to say, sir, that this recommendation was not taken seriously by the government.

Then came the famous Duncan report that was submitted to this parliament last session. In that report by implication, if not expressly, we were told that the tariff on coal was not sufficient. Those are not the exact words; the language used was something like this—that the question of the tariff on coal should receive the immediate attention of the tariff advisory board, and they recommended that it be placed before that board without

delay. Well, the subject could not logically be placed before the tariff board for any reduction in duty; the duty is far too low now; it could only be placed before the tariff board for a substantial increase in duty. So I say the question of the coal industry, so far as the east is concerned, has been completely neglected by this government, and no effort has been made to see that it takes its proper place as one of the greatest basic industries of the Dominion.

It is not difficult to discover what the policies of the different parties in the Dominion are with respect to the coal industry. I have before me the remarks of the Liberal candidate who was contesting the county of Cumberland in 1921. Addressing a meeting at Amherst on October 5, in the presence of the Prime Minister, who was then the leader of the opposition, the Liberal candidate said:

> Free trade is not the policy of the Liberal party. If it were I would oppose it because I believe it would bring disaster to our industries and remove from the farmers the home market which is practically the only market they have left. Free trade may be all right from the wealthy grain growers of the west whose wheat goes to the foreign markets and who do not have to worry about selling their produce at home, but it would mean paralysis in the maritime provinces. Also, I am a firm believer in the establishment of a national coal policy for Canada—no country, especially a country with cold winters, which depends on a foreign nation for its fuel, can claim to be independent of that nation.

Then he announced his policy:

> Every pound of coal purchased by the government should be mined by Canadian miners and transported over government railways to the points of consumption. Coal required by other consumers in Canada should be carried at cost.

This is reported in the Halifax Chronicle of October 6, 1921. As I have said, on the platform at the time was the present Prime Minister of this Dominion. Therefore, I take it, Mr. Speaker, that so far as the coal industry of Nova Scotia is concerned that was the Liberal policy in 1921.

Mr. LAPOINTE: It did not have much success.

Mr. SMITH (Cumberland): Not very much.

Mr. BENNETT: Opportunism never did succeed.

Mr. SMITH (Cumberland): Now, Mr Speaker, if that was the policy of the Liberal party in 1921, certainly no effort has been made on their part to carry it into effect. Such a policy is certainly needed. Unless something is done, as Mr. Cronyn has pointed out, we can only expect a calamitous situation in the coal fields of Nova Scotia. The royalties on coal are one of the principal sources of revenue for the province, and consequently when the coal industry is stagnant the provincial revenues are correspondingly depleted. If the coal industry is in a flourishing condition it benefits generally the whole province; but I am sorry to say that the industry is not flourishing to-day, but the reverse of that.

What we need, Mr. Speaker, is a national fuel and steel policy, and I believe that the following measures would help to bring this policy about. In the first place, coking plants should be established. Some attention was given to this last session, and I believe something is being done along these lines at the present time.

Mr. HANSON: What about the use of Canadian coal?

Mr. SMITH (Cumberland): I was told quite recently that a plant is being established in the city of Montreal which is to use four hundred tons of coal a day in the manufacture of coke, but that the coal is to be American coal. I am not sure whether that is correct.

Mr. HANSON: Correct.

Mr. SMITH (Cumberland): Then it is a crying shame that that sort of thing should be allowed to go on. Yesterday the hon. member for Bow River (Mr. Garland) drew attention to the value of the coal fields in the province of Alberta, and stated that those deposits were greater than all the coal deposits in the other parts of the British Empire. It is inconceivable that in a country like Canada, striving to get on its feet economically, and claiming by some to have reached the status of a nation, American coal should be allowed to come in at the expense of our own coal miners and coal operators and to the great disadvantage of certain parts of the Dominion. Has it ever occurred to hon. members that an emergency might arise in this country whereby we might be shut off from securing coal in the United States or other parts of the world? The United States is the country from which we secure most of our imported bituminous coal, and a crisis might arise at any time whereby our supply from that market would be entirely shut off, and we would be thrown back upon our own resources, and possibly not be able to cope with the demands that would be made upon our own supplies. It seems to me that we must look at this situation from the viewpoint of national development,

from the viewpoint of saving and safeguarding those industries which are of such great benefit to this country, and unless we do inaugurate and put into force a policy of that character, it seems to me that we shall never truly be able to say that we have reached a state of nationhood.

I was going on to mention the different factors that occurred to me as necessary in the building up of a national steel and fuel policy: First, the establishment of coking plants; second, a subvention granting assistance in the carrying of coal west of Montreal; third, real tariff consideration against importations of coke, anthracite screenings and bituminous coal; fourth, more favourable transportation rates; and fifth, the abolition of the customs drawback on foreign coals used in coking.

It seems to me, Mr. Speaker, that if these methods were inaugurated, we would make an effective start at all events at putting Canada on the basis of securing a national fuel policy which I believe would work out in the end to the advantage of every section of the country, because if we doubled the output of coal in the Dominion, doubled the output of the coal fields of Alberta and Nova Scotia, we must naturally expect that there would be a reduction in the price to the consumer; that is the natural consequence that we must expect to follow, that with the output doubled, there would be a corresponding decrease in price to the consumer.

I come now to the question of subsidies, as outlined in the Duncan report submitted to this house last year. I am not so sure but that not only the government of this country, but parliament also, missed not only the spirit of the Duncan report but the phraseology as well with respect to provincial subsidies. I would like to read a short paragraph from the Duncan report in this connection. The report says, on page 19:

> We do not feel, however, that it would be right or wise that the maritime provinces, in their present state of grave necessity, with deficits accumulating against them in their ordinary revenue and expenditure, should be left in suspense until a reassessment is made by the Dominion government, and accordingly we recommend that immediate interim lump-sum increases should be made in the payments to the three maritime provinces as follows:—

The report then goes on to enumerate the payments—$875,000 to Nova Scotia, and so on. I would call the attention of the house to the words used by Sir Andrew Rae Duncan in this report. He says, "immediate interim lump-sum increase." The report was filed with the government of the day on September 23, 1926, and the first instalment of the subsidies was paid in July, 1927. At that time only one-half of the $875,000 was sent to the province of Nova Scotia. The balance was held by the Dominion treasury until late in November, until, as a matter of fact, after the Dominion-provincial conference held in Ottawa last fall, at which, representatives of our province brought the question up and forced the hands of the Minister of Finance to send along the balance of the subsidy, which should have been sent to us in July. Not only that, but even then the sum of $133,000 was held back from the final payment owing to a disputed claim between the province and the federal government in connection with the sending of the militia to the island of Cape Breton. That sum of $133,000 was deducted from the subsidy. The province of Nova Scotia disputes this claim. It is out of all proportion to the services rendered, and I claim that the federal government had no right and no authority whatsoever for withholding this amount from the subsidy that was sent to Nova Scotia. It is quite true that under the Militia Act there are certain regulations whereby under certain conditions a charge may be made, but the province of Nova Scotia was contesting this claim; it is still in dispute, but notwithstanding that, the federal government held back this $133,000. That to me, Mr. Speaker, bears the earmarks of rather sharp business practice, and I do not know that we should sit idly by and let that sort of thing continue without making a protest, and we do protest against it.

Mr. CAMPBELL: Did the province of Nova Scotia or the provincial government request the federal government to send troops on that occasion?

Mr. SMITH (Cumberland): The attorney general of the province of Nova Scotia did, I understand, ask that troops be sent down there, but as I understand it, under the Militia Act, which governs this matter, before any responsibility can rest on the province, action must be taken by order in council, and no order in council was passed by the government of Nova Scotia asking that these troops be sent there. I do not think that the government of the day in dealing with the provinces in financial matters should deal with them in a strict and rigid manner. I do not say that the government should spend money recklessly, but I think it should spend it generously so far as the provinces are concerned.

Away back in 1867, under the confederation pact, we lost a good many of our elastic sources of revenue. They were handed over to the

Dominion parliament, and we were granted a small subsidy in order to enable us to cope with certain matters of local concern. For instance, we had to look after the public health of the province, education, and highways. Turn your mind back to 1867 and you will realize that no person at that time could possibly conceive that public health service would have developed as it has done and would require the expenditure that it calls for to-day. At that time public health was not a very serious question. Science had not developed to the stage that it has reached to-day, and it was impossible to forsee the large amounts of money that it would be necessary to expend on public health. The same applies to education. With regard to our highways, no person ever dreamt at that time that highways would have to be kept up in the state in which they are maintained to-day. That was before the day of the automobile, and people were not thinking then of keeping up the highways in an efficient state for automobiles and tourist traffic. But these burdens were saddled upon the different provinces, and we were expected to shoulder them and make headway on the small subsidies that were granted at that time, although they have been increased, it is true, from time to time. Under the Duncan report we should have received the increased subsidy dating from September 23, 1926.

Back in 1867 we were partners in the purchase of lands in the western portion of the Dominion, and we gave those lands away freely and gladly to make up the other provinces of the Dominion, in order that the prairie provinces might be carved out; and it is a good thing that we did, because the west has helped to make this country great. But, Mr. Speaker, we expect something in return. The Prime Minister said the other day that the suggestion had been made—I do not know whether it was at the Dominion-provincial conference or not—that the western provinces should not only receive back their natural resources, but that the subsidies should be continued to them as well. I am in full accord with that suggestion. If we are going to maintain any standard of civilization in this country consistent with modern day requirements and our advancement, in so far as I personally am concerned, I thoroughly approve of the provinces getting the subsidies as well as their natural resources. I think this question has reached the point where this government should deal generously with all the provinces of this Dominion. As I have already said, this government has the elastic sources of revenue which we have not, and it is very difficult for the governments of the eastern provinces to make ends meet. I call attention also, Mr. Speaker, to the fact that in the Duncan report it is pointed out very clearly that there is no extravagance so far as the administration of the provincial governments is concerned; no one can point to any reckless expenditure made by any of the governments. The commission states that the local governments of the east, and I am sure this applies to all other provinces, are carrying on their administrations as economically as possible.

Now I come to another matter and that is the representation from Nova Scotia in this House of Commons. We claim, and I think quite properly, that we have been overlooked to the extent of one member of this house; in other words, we have fourteen members from Nova Scotia and we claim that there should be fifteen members representing that province. I do not think I can do better in this connection than to read the statement which was presented to the Duncan commission, which makes the matter very clear. I might remind the house also that this matter was brought to the attention of parliament last session by the senior member for Halifax (Mr. Black), but so far as I know no action whatever has been taken by this government. If you will bear with me for a moment I will read the few paragraphs in the brief of the Nova Scotia government presented to the Duncan commission dealing with this matter:

> The population of Nova Scotia increased from 1911 to 1921 by 31,499. Quebec's population increased at a relatively larger rate, so that the unit of representation after the 1921 census became 36,283. Nova Scotia's representation in the House of Commons was therefore reduced from 16 to 14. The population contained 33,965 more than was necessary to give fourteen representatives, but because we had fallen 2,318 below the fractional part, not exceeding one-half of the whole number required to entitle the province to a member, our population to that extent was disregarded, and we suffered the loss of one member. Nova Scotia could not retain its members, as Ontario did, under subsection 4 of section 51 of the British North America Act, whereby no reduction can be made unless the proportion which the population of the province bears to the total population of the Dominion be diminished by one-twentieth part or upwards.
>
> It may be difficult to overcome an effect such as this, but it is a fact that there are 33,965 persons in Nova Scotia unrepresented in the House of Commons, while there are in Canada, outside of the maritime provinces, ninety-six electoral districts returning members with less than that population within their bounds. The membership for Nova Scotia cannot be reduced below ten, the number of our senators. But if by the increase of population in Quebec our representation were lowered to this minimum, it would mean a

total reduction since Confederation of nine. This is a condition which is being rapidly approached.

Had the unit of representation, instead of being 36,283, been 36,125, a difference of 158, Nova Scotia would have saved another representative, and instead of having fourteen members in the House of Commons would have had fifteen; that is, if the population of Quebec had been less by 10,287 persons the unit would have been so reduced. By the British North America Act, section 51, subsection 2—

"There shall be assigned to each of the other provinces such a number of members as will bear the same proportion to the number of its population (ascertained at such census) as the number of sixty-five bears to the number of the population of Quebec (so ascertained)."

Quebec is defined by this act, section 6, as follows:

"The part of the province of Canada (as it exists at the passing of this act) which formerly constituted respectively the provinces of Upper Canada and Lower Canada, shall be deemed to be severed, and shall form two separate provinces. The parts which formerly constituted the province of Upper Canada shall constitute the province of Ontario; and the part which formerly constituted the province of Lower Canada shall constitute the province of Quebec."

That is, the population to be taken is the population of the territory known as Quebec at the passing of the British North America Act. But the population of Quebec which has been taken as the basis for the unit of representation since 1900 is the population of that province as originally constituted, plus the population of the extensions made by chapter 3 of the acts of 1898. It is now possible from information at hand to ascertain just what population was counted in these added territories, for they contain all of Abitibi, the district of Labrador, and what is known as part of East Maine, all that territory north of the height of land, part of it being traversed by the National Transcontinental railway. In extending the boundaries further in 1912 the territory then given to Quebec was excluded in considering the population for forming the unit of representation, but the population added by the act of 1898 is included.

A statement from the Dominion Statistician shows that there were 13,644 people in this area. These should not have been counted in determining the unit of representation. Excluding them, the unit becomes not 36,283 as used, but 36,073. This figure divided into the population of Nova Scotia 1921 gives 14 and a fractional part, exceeding one-half of the whole united number by 778 and entitling this province to another federal member. The representation in the House of Commons from Nova Scotia, as fixed by the Redistribution Act, 1924 (14-15 Geo. V. C. 63), should therefore have been fifteen members. The province was under-represented in the last parliament by one member and will be in the next unless immediate steps are taken to correct this error.

I think that explains the matter fully. We understood that the province of Quebec, as originally defined under the British North America Act, was to be the unit acted upon.

[Mr. R. K. Smith.]

Instead of that, however, in the last redistribution other portions were taken in, other sections were added and the population counted, which changed the unit and thereby deprived us of one additional member. We feel that we are entitled to this and we believe that the government of the day should take the matter under immediate consideration and see that we get justice in this respect. This question has been to the fore for some little time but nothing has been done, and I sincerely urge the government that no further delay be countenanced in this regard but that immediate steps be taken to redress this wrong.

For a moment or two I would like to speak with respect to the steel industry, which at one time in this Dominion employed 20,000 men. It is true that this was in an abnormal period, during the war, but under normal conditions this industry employed about 14,000 men. In Canada to-day only about one-half that number, or about 7,000 men, are engaged in this work while steel products are pouring into Canada from foreign countries and putting our own workmen out of employment, causing many of our factories to stand idle and bringing depression generally to industries which once thrived and helped to build up communities and the nation. It does seem to me, Mr. Speaker, that the government should take seriously under consideration the question of the revision of the tariff with respect to steel in order to provide this industry with sufficient protection to enable it to exist and carry on. It seems to me that it is not only a crying shame but a disgrace to allow an industry which has been built up in a country entirely adapted to it, to fall into decay as has been the case with the steel industry in the last few years. I would urge the government, therefore, that when the budget is brought down this year some attention be given to this very important question.

Then I have just a word to say with respect to the fisheries in my province. There has been a commission investigating that industry and endeavouring to find some means by which it may be placed upon a more secure foundation than has been the case for the past few years. The report of this commission should be tabled with the least possible delay, and immediate action on the report should be taken as soon as that is done.

During the past few months there have been some rather conflicting statements made with respect to the implementing of the Duncan report. I am not making any statement in this connection in any carping manner, or with the intention of criticizing or

embarrassing the government in the least. I think I am expressing the minds of the people in Nova Scotia when I say that we are very thankful indeed for what the government has done in connection with the Duncan report, but we do claim that they have not nearly implemented that report in full, and that some statements made by a minister of the crown with respect to the implementing of this report are somewhat removed from the actual facts. I refer to statements made by the hon. the Postmaster General (Mr. Veniot) at different places in the maritime provinces to the effect that practically all the recommendations and suggestions contained in the Duncan report have been carried out. Now, Mr. Speaker, we of the maritime provinces contend that this is not an accurate statement of the facts as they exist. As a matter of fact a great many far-reaching and important recommendations and suggestions in the Duncan report, have not been carried out. We were quite willing last session—those of us who sit on this side of the house—to give the government ample time to formulate their policy and to carry out in their entirety all the recommendations contained in that report. But the progress made, I must say, has been slow. People in the maritime provinces are waiting, but the conditions down there are such that they are not going to wait for an indefinite period in order to have these recommendations fully implemented. I was rather astounded to read the statements made by the Postmaster General speaking at two different points—at Amherst and at St. John—with respect to what the government had done towards implementing the Duncan report. I think, Mr. Speaker, that the whole of the recommendations in that report should be implemented without any further loss of time. I am sure that we on this side have endeavoured to help the government in respect to whatever legislation was proposed in that report. We still maintain that attitude and we hope to do everything in our power to assist the government in seeing that these recommendations are carried out in their entirety. But may I point out that delays are dangerous, that great hardships are being worked on account of these recommendations remaining unfulfilled. I hope and trust therefore, that the government will take immediate steps to see that these recommendations are carried out in their entirety.

I did intend to go into some further matters, but I see that my time has elapsed. In closing I want to thank the members of the house very heartily for according me such close attention during my remarks.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, in this parliament it is singularly appropriate that the address in reply to the speech from the throne should be moved in both French and English, in order that we may constantly keep in mind the equality of the two languages in this country. I sincerely hope that the tradition in this respect which has grown up since confederation will not be departed from in the years to come.

May I at the outset follow the example of those who have preceded me in this debate and express my admiration for the brilliant address delivered by the hon. member for Hants-Kings (Mr. Ilsley), and at the same time tender my sincere congratulations to the hon. member for Provencher (Mr. Beaubien) for the able manner in which he seconded the motion.

May I also add my congratulations to those that have already been tendered to the hon leader of the opposition (Mr. Bennett) on the great honour which was accorded to him by his party. I am sure that we all join in the wish that the great talents of which he is possessed may be devoted to the cause of national unity and prosperity. If it should ever be his responsibility to lead the government of Canada may he bring to the discharge of that responsibility the lofty sentiments of service to which he gave expression at Winnipeg upon the occasion of his selection as leader of the Conservative party.

I do not intend to deal at any great length with that portion of the speech from the throne which deals with the prosperity with which this country is undoubtedly blessed at the present time, nor to attempt an analysis of its causes, except to say that in large measure it is due to the bountiful harvests that we have enjoyed during the past three years, and to remind this house that agriculture is still the chief industry of Canada and as such continues to deserve our first consideration.

I do, however, wish to say a few words with regard to the great mining activities that are taking place in the province of Manitoba. I will not repeat what the hon. member for Provencher said with regard to the richness of the resources that have already been discovered. A new era is commencing in northern and eastern Manitoba, and I venture to prophesy that the history of northern Ontario in mineral development will be repeated in northern and eastern Manitoba. In order to promote and regulate that development we in Manitoba must look to the Dominion of Canada, for we do not as yet have control over our natural resources. May I here ex-

press the hope that the question of returning to the western provinces their natural resources may be settled in the very near future. We have already, and very recently, had an excellent example of cooperation in the manner in which the federal and provincial governments worked together in order to make possible the development of the Flin-Flon mine, and I sincerely hope that that cooperation may continue in the future.

Two suggestions have been made with a view to promoting and regulating mining development in Manitoba. The first of these suggestions is, that the present system of taxing the gross output of a mine should give way to a system of taxing the profits of the mine, particularly in the early stages of mining operations. This system is in force both in Ontario and in Quebec. It is a system to which the investing public is accustomed, and provided the necessary safeguards are set up for the protection of the interests of the public, it is urged that a similar system of taxation be adopted for Manitoba.

The second suggestion that is made has to do with the registration of documents affecting mining claims. Under the law and regulations at present in force, title to mining claims in the province of Manitoba is by way of lease from the Dominion of Canada. This has been the system in force since 1914, when the previous system of granting freehold title under a patent from the crown was discontinued. Under the present system provision is made for the registration of an assignment of any right or interest acquired under the provisions of the Dominion Lands Act, provided that such assignment is unconditional and its execution is satisfactorily proved. No provision, however, is made for the registration, after the issue of a lease from the Dominion, of any other document affecting mining claims. There is no provision, for example, for the registration of that very common form of agreement known as an option agreement. It is urged, and I think rightly, that this is unfair both to the prospector and to those who have the capital for mining development. It makes it very difficult for the prospector who has staked a claim, in respect of which he has received a lease from the Dominion, to interest capital in the development of that claim, for persons are naturally unwilling to buy a claim outright, without first investigating its possibilities, and they do not desire to spend large sums of money in investigation on the strength of an option agreement when that option agreement may be defeated by the registration of an assignment of the lease from the prospector to someone else. Under the present system the door is open both to fraud and mistake. The person who is investing capital in mining development is entitled to certainty of title when he decides, if he should so decide, to exercise the option which he has taken. It is therefore suggested that provision should be made for the registration of all documents affecting mining claims either by way of amending section 86 of the Dominion Lands Act or by appropriate regulations. These two suggestions which I make have the strong support of the mining bureau of the Winnipeg Board of Trade, the Manitoba branch of the Canadian Institute of Mining and Metallurgy, and the Manitoba Chamber of Mines. Furthermore, the Manitoba government is in hearty agreement with the spirit of these suggestions. I therefore urge that they receive the serious consideration of this government for action during the present session, so that we may be prepared for the great mining activity that will undoubtedly take place immediately in Manitoba.

A moment ago I made the statement that agriculture was the chief industry of this country and as such continued to deserve our first consideration. May I add my voice to that of those who desire to see that industry promoted? The very small margin of profit which the farmers of this country make in the circumstances under which they operate at present, can be increased only by lowering the cost of production, the cost of living and the rates for carrying their produce to the markets of the world. May I express the hope that the burden of taxation, both direct and indirect, especially the latter, which now weighs so heavily upon the people and particularly upon the farmers of this country, will be substantially reduced during the present session?

Western Canada watched with a great deal of interest and with considerable alarm the investigations made by Mr. Palmer into the question of the Hudson Bay ports. It was feared by many that this investigation was merely the forerunner of delay. That alarm was dissipated by the action of the government in definitely selecting Fort Churchill as the terminal of the Hudson Bay railway. The Minister of Railways and Canals (Mr. Dunning) deserves and has received the thanks of western Canada for the courageous and expeditious manner in which he dealt with this all-important question. We are looking forward to the day when Manitoba will have a maritime port and western Canada a new outlet to the sea.

Western Canada is always vitally concerned with questions of transportation and will note with considerable interest the section of the speech from the throne which promises consideration to the various railway problems of the provinces of Canada. May I urge that consideration be given in this connection to additional representation of western Canada on the Board of Railway Commissioners?

May I also, as one of the representatives of the city of Winnipeg and the province of Manitoba, bring to the attention of the government the advisability of extending the railway facilities that already exist in that portion of Manitoba which lies east of lake Winnipeg, with a view to linking up those facilities eventually with the Hudson Bay railway? The extension of such facilities will aid greatly in the development of the rich mining areas of eastern Manitoba, it will afford access to the timber resources of that portion of the province; it will make the tremendous power possibilities of the Nelson river more readily available for industrial development, and it will provide a much shorter and cheaper route to the Hudson bay terminal for Winnipeg and all the southern portion of Manitoba. In addition I am confident that such a route will attract a large volume of traffic from the states immediately to the south of Manitoba. Such extension would be of inestimable benefit to the city of Winnipeg and to the area which it would serve, and an additional guarantee of the ultimate success of the Hudson Bay railway would be provided. I therefore urge that the government give serious consideration to this suggestion.

Before I proceed to a discussion of international affairs and the question of national status, I wish to refer for a moment to one other matter of domestic concern which has to do not with matters of material prosperity, but with the health and welfare of our returned soldiers and their dependents. I am sure that the returned soldiers of this country will welcome the statement of the Prime Minister that a parliamentary committee will be appointed during this session to consider the difficult question of pensions. I am equally sure that all shades of political opinion in this house will unite in the desire to see that the pledges which Canada gave to her overseas men will be implemented in every particular, so that they and their dependents may feel that full justice has been done to them in so far as it lies within the power of this house to do.

Much has been said, Mr. Speaker, during the course of this debate about the status of Canada. I do not intend to deal with that question at any great length, for I expressed myself fully on it last session, and I have seen no reason to change the opinion which I then held. The imperial conference of 1926 was a great achievement of British statesmanship. It did not, I admit, change the legal status of Canada. It did not confer upon Canada any legal rights which Canada did not till that time possess. But it paved the way for a change in that legal status. It paved the way for conferring upon Canada the additional rights that she does not now possess, and it brought into the clear light of day, for all the world to see, a new attitude of inter-imperial relations between the various members that make up the family of British nations. That new attitude has been clearly shown, by the British statesmen, and by the statesmen of the self-governing dominions who have been our distinguished guests during the past year. Some of them, may have been unwilling converts to the new conception, but may I express a tribute to British statesmen in general when I say that British statesmen possess a special aptitude for recognizing facts as they exist, and when they see the light they are not obsessed with the shadows. I quite agree with the hon. leader of the opposition that we do not as yet possess absolute equality of status.

Mr. BENNETT: That is what I said .

Mr. THORSON: I quite agree with the hon. member for St. Lawrence-St. George (Mr. Cahan), that we do not as yet possess absolute equality of status. That hon. member in the course of a very forceful and able address. stressed the difficulties that must be solved before equality of status is achieved. I regret that he should have thought it necessary to lower the tone of what was otherwise an excellent address by the petulant remarks which he made with regard to the Prime Minister. Every lawyer who has given thought to the subject realizes clearly that so long as our parliament is inferior and subordinate to the parliament of Great Britain, so long as we do not possess the right to pass legislation having an extra territorial effect, so long as we cannot validly prohibit appeals to the Privy Council, if we should so desire, so long as we cannot amend our constitution without the intervention of the parliament of Great Britain, we do not possess equality of status with Great Britain.

Mr. BENNETT: Hear, hear; I say so.

Mr. THORSON: It is well to keep these facts in mind so that we may not lose sight of the objective. It is well to appreciate

that the problems in the way are difficult of solution, but surely we in Canada do not intend to leave our problems unsolved simply because they are difficult of solution. I must confess a feeling of some disappointment at the attitude of the hon. leader of the opposition on this question. When he was asked by the Minister of Justice whether he would cooperate in asking to have the Colonial Laws Validity Act repealed, he replied, among other things, that he was too old to be caught in that way, as though he were seeking to avoid some trap that was being set for him. I had hoped that he would take a bolder stand.

Mr. GARLAND (Bow River): Hear, hear.

Mr. THORSON: And indicate clearly what he and his party were prepared to do toward the solution of this great problem. I still have hopes that he will take such a course when the weight of his new responsibility presses less heavily upon his shoulders.

Mr. MANION: He will, right after the next election.

Mr. THORSON: If he will follow the example of the premiers who have had the honour to lead the government of this country, then I have no doubt, that in this respect the growth of Canada will continue as it has done in the past. The difficulties are there, Mr. Speaker. We realize these difficulties. The Imperial conference itself realized them very completely. It recommended that a special committee be set up for the purpose of solving these problems and solving them in the light of the declaration of equality that came from the conference. I sincerely trust that steps will be taken in the very near future by the necessary parties to implement the recommendations made by that conference; so that we may have conferred upon us the autonomy that we do not now possess, and so that we may have conferred upon us the rights which I referred to a moment ago which are not yet ours.

Mr. GARLAND (Bow River): Have those committees to which my hon. friend refers ever held a sitting, and has the government of Canada taken any steps to see that the imperial government appoints those committees and that they commence their work?

Mr. THORSON: I am unable to answer the questions asked by the hon. member for Bow River. I am urging that the necessary parties take the necessary steps at as early a date as possible, in order that the problems which are referred to may be properly considered. I am anxious that progress be made towards the realization of the ideal of equality that was visualized at the conference. We on this side of the house are proud of the attitude taken by our leaders on the question of national status, for it is an attitude that is truly consistent with the best British traditions of political evolution, and any other attitude would be unworthy of the example of self-development which Great Britain herself has set for us. In my humble opinion the realization of this great ideal—and I am quite willing to agree that it is an ideal and glad that the hon. member for St. Lawrence-St. George so regards it—is inevitable and is essential to the maintenance of the close relationship which holds the British nations of the world together.

In the larger field of international relations Canada continues to make progress, both in matters of trade and in the promotion of goodwill and mutual understanding with the nations of the world with whom she is associated. The Canadian minister at Washington has upheld the name of Canada with credit to himself and distinction to his country. We are now to have ministers to France and Japan. If we can be as successful in these appointments as we have been at Washington—and I see no reason why we should not be—great advantages will accrue to the Dominion.

It is hardly necessary in this country to mention the desirability of maintaining the most friendly relations with France. That is accepted as a matter of course. It is hardly less desirable that we should maintain and promote friendly relations with Japan. Our relationship with that country is twofold—domestic and international. May I direct the attention of this house to the figures indicating the amount of our trade with Japan and China. Our total trade with these two countries has grown from $10,951,591 in 1917 to $59,679,059 in 1927—an increase of almost 600 per cent in ten years. In 1927 our imports from these two countries amounted to $16,211,972, and our exports to them to $43,467,087. During the year ending March 31, 1927, our trade with Japan alone amounted to $41,117,413, which included imports from Japan amounting to $11,170,380, and exports to Japan amounting to $29,947,033. During that year Canada traded with 112 countries. Let me point out, Mr. Speaker, that Japan was our fourth best customer.

Those who have given any thought to the growth of population must be struck with the fact that the population of the world doubled itself during the last century. If this great rate of increase continues in the future, as many students of the question be-

lieve it will, there is an alarming prospect before the world, for food production has barely kept pace with the increase of population. I disagree very strongly with the suggestions that have been made in the course of this debate that we in Canada should curtail agricultural production. In view of the rapid increase in the population of the world, I venture to express the opinion that in the future the commanding positions in the world will be occupied by those countries which have the power and the space to produce large quantities of food wherewith to feed their own people and the people of other countries. No country in the world is feeling the problem of increasing population more acutely than Japan. No country in the world has a greater opportunity than Canada of producing food on a large scale. Are we, Mr. Speaker, to confine ourselves to the home markets in view of such a situation? I can see visions of an enormous trade in foodstuffs between Canada and Japan. The great Peace river country lies open, awaiting development that hungry Japan may be fed. Open up that great tract of land, provide for it an outlet to the Pacific coast, so that we may realize and fully develop the great opportunities of trade between Canada and the orient.

Our minister to Japan will have other duties to discharge than the mere promotion of trade interests, for we are a Pacific nation and interested in the problems of the Pacific. I cannot usefully add anything to the eloquent plea which the Prime Minister made for the promotion of peace and goodwill amongst the nations bordering on the Pacific. That objective alone, without any considerations of trade, is worth attaining.

The government is to be congratulated upon the manner in which it is facing Canada's international obligations. Canada has definitely ventured upon the wider arena of international politics. She is of the world and cannot remain outside it. Canada's election to a seat on the council of the League of Nations brings home to us more vividly than ever before a realization of the great responsibilities and the great obligations she undertook when she became a member of the league. Her representatives on the council will play their part in deciding the policies and exercising the executive functions of the league. As members of the council they represent not only Canada, not only the British nations of the world, but the total membership of the league, all the nations of the world that belong to it. There are duties and obligations owing to the world at large through that membership on the council. Canada has great responsibilities and great obligations to discharge, but she is in a very fortunate position to discharge them. Freed as she is from the necessity of building a great navy, freed as she is from the necessity of maintaining a great standing army by the fortunate geographical position in which she finds herself, which renders her comparatively free from attack, she has a great opportunity for promoting peace and goodwill and acting as an interpreter not only between the two greatest English-speaking nations of the world, but between the two great continents of Europe and Asia. Who, Mr. Speaker, could not be proud of citizenship in a country so blessed by Providence in opportunities for promoting the welfare of mankind?

Mr. J. C. BRADY (Skeena): The speech from the throne by His Excellency the Governor General at the opening of the session outlined certain legislation which the government proposes to ask parliament to adopt during the present session. I wish briefly to mention one of two matters, Mr. Speaker, that seem to me to be of outstanding importance, and then come to certain phases of the situation in Canada to-day which are calling for redress and advanced legislation.

First of all, I notice that the government proposes to send ministers plenipotentiary to France and Japan. That proposal has already been discussed from both sides of the house, and I believe the feeling throughout Canada is that in taking such a step we are advancing into dangerous ground, and we should be very careful because of the consequences that may ensue if this policy is carried out to its logical conclusion.

The government also intends to take steps this session to return to Alberta its natural resources, and to British Columbia the lands of the railway belt and the Peace river block.

The two pieces of legislation I have mentioned, which the government intends enacting this session, are but the corollary to implementing the Duncan report. Both have been advocated for many years, and not merely on this side of the house. They were advocated as far back as 1901 by Premier Dunsmuir of British Columbia, later by Premier McBride, and during the last session of parliament by the hon. member for Victoria (Mr. Tolmie). I trust that as a result of this legislation which is forecast in the speech from the throne there will be considerable development in both these provinces, a development which has been considerably retarded in the past.

The speech from the throne has been praised to a very considerable extent, and so far as any legislation that will be of benefit to the people of Canada is concerned, that praise is not confined to the members on the government side of the house. The members on this side of the house likewise accord praise to the government for any legislation that will be productive of good for the people of Canada. The government has been repeatedly congratulated upon its splendid record, and that brings me, Mr. Speaker, to the very question that confronts the people of Canada to-day. It is the most vital question that we can discuss in this assembly. What the people of this country are demanding to-day is, which of the great political parties is presenting the facts as they exist at this present stage of our development. I notice that there has been a disposition on the part of many government supporters to argue during this debate from the particuluar to the general, to try to take a universal application from some few isolated facts. I do not for one moment deny, Mr. Speaker, that prosperity is moving over the face of Canada. We see evidence of that on all sides, and indeed it would be a strange thing after the way Canada has been blessed by abundant crops, blessed in the courage and strength and virility of her people, if there were not at this period, sixty years after confederation, at least some evidences that we were prosperous. The Prime Minister said that we should not say anything in this house which would indicate to the outside world that things are not like a garden of Eden in Canada, or words to that effect. Sir, this government had its very origin in democratic party government, and the opposition has a bounden duty to perform. Its duty is to give honest criticism, and I shall not be prevented from doing so by the mild rebuke which was given to some members of the opposition by the Prime Minister.

We all rejoice to know that Canada is entering upon an era of prosperity, but so far as I can judge, this government has not been giving to the people of Canada that legislation and that help which a young country such as this, with its great wealth, is entitled to receive especially at this important stage in its history. Is it not true, Mr. Speaker, that much of the work of this parliament last session was turned over to all kinds of commissions? We had the Duncan report from a commission that was appointed to inquire into the grievances of the maritime provinces. That commission was appointed to try and find means of alleviating the conditions that prevailed in the maritime provinces. We also had a commission appointed to investigate the administration of the Customs department. For what purpose? —in order that we might prevent the flow of goods entering from foreign countries without paying customs and excise duties. We now have a commission investigating the fisheries. For what purpose?—in order that we may try to save the greatest industry possessed by Canada, because credible testimony causes us to fear it is in danger of being wiped out. I say that no government in a great country like this should have to spend its time, its capabilities and the money which is supposed to go into the coffers of the treasury, for the development of the country in investigations and commissions such as these.

The opening of parliament is a period of stock taking, or is considered such by the people of Canada. They want to know the stage of progress reached and the hope for future expansion. Since 1867 the questions of greatest interest to the people of Canada have been those belonging to the sphere of commerce, industrial and agricultural development and the development of our railways and our ports. These are the main things in the estimation of the people of Canada. We have passed through that eventful stage of experimentation in legislation; those experiments have now become firmly embodied in the laws of our country, and the hour has come when the statesmen who control the destinies of our Dominion should solve these problems which will fit in with the growing needs of this great nation.

We have heard a great deal about immigration, but I say that in spite of what we have heard in this house, that we are making progress, no man dares deny that the greatest tragedy which could occur within any nation in the world is taking place every hour and every minute in Canada. We are losing the cream of our intellect; the youth of both sexes are leaving us, as regularly as the waters pass over the face of the earth, and they are leaving us not to return. I ask you, sir, how this government is attempting to solve that vital problem, upon which the future greatness of this country depends. There has not been one month since last May that I have not written out letters of recommendation for young Canadians passing into the United States. Is it right that to-day we should talk about plenipotentiaries, to foreign states when the very life blood

of our nation is ebbing away hourly and the government has not the ability or the machinery with which to check it?

Let me present to the house a few facts. I cannot draw a great dramatic picture, but by a simple comparison the smallest child may understand the situation. British Columbia is a country larger than Italy, Germany and France combined and to-day it has a population of about 560,000 people. New Zealand, a little country of 102,000 square miles, has a white population of 1,500,000 people and still, sir, the history of British Columbia antedates the political history of New Zealand. Let me show it in another way. The constituency of Skeena, which I represent, has a larger area than New Zealand. It is even larger than Great Britain and Ireland and yet to-day, with its fertile valleys, its millions of acres of land, its rivers, its seas, its mighty natural wealth of forest and mine, there are only 40,000 people to be found therein. Is there something wrong, or is it possible that I stand here this afternoon telling this house things are not existent? That is what is wrong with Canada. We are losing our own sons and daughters and bringing in immigrants from other countries. The object, of course, is to make them colonists, and finally citizens, but we are not even doing that.

The forty minute limit confines one to a few salient points, but I would like to emphasize one point particularly to the government. That point is, that the great need of western Canada has not been touched upon and has not been voiced as it should have been in the speech from the throne. We should have our transportation facilities increased, both by land and water; we should have federal aid for our highways, which are the very veins of traffic development. I think, sir, that we are paying too much attention to externals and not enough to internals. It is within Canada that the future success of any government must lie; it is there, sir, that we must concentrate our efforts. We must step down and come among our people and examine their wants and their needs, and then the solution will be obtainable. I appeal to this government to accept what I know to be true, that the brightest gem which could be placed in the crown of any government is waiting, once the great Peace river country west of the Rockies is opened up, and British Columbia receives more equitable treatment and a fairer share of the revenues which she has given in the past and will continue to give in the future to this Dominion of Canada.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I am afraid that I shall not be able to rise to the heights of oratory reached in the speech that we have just listened to. Indeed I feel that it is an injustice, perhaps, both to myself and to the house, that I should be asked at this time to step into another member's place and speak with somewhat inadequate preparation. With the other hon. members, who have preceded me I would heartily join in congratulations to the young member from Hants-Kings (Mr. Ilsley) who moved this address.

A great deal has been said with reference to the speech from the throne, as to what it does and what it does not contain. I think, perhaps, if we examine the speech from the throne and compare it with others over a period of years, it will be found very similar to some that have gone before. Some speeches from the throne have gone very fully into the program that the government had in view. Others have given very meagre intimation of what was intended in the way of legislation; and I was not at all surprised when I read the speech that it should be subjected to that old, standard criticism, that has been levelled so often against speeches from the throne—I am not making it myself—that it is more remarkable for what it does not contain than for what it does. That is not a new thought in this parliament by any means. However, the speech seems to be considered a convenient peg on which hon. members may hang speeches touching any matter that they have in mind.

A good deal has been said about the prosperity of Canada at the present time. I know it is a very difficult matter to get an adequate or a proper gauge of what constitutes prosperity. I recognize that it is quite possible that in matters of high finance, in big business, things may seem to be prosperous, and yet in other walks of life many of our fellow citizens may be suffering hardship and distress. But judged by the ordinary gauges that are used to measure prosperity, judged by the gauge I imagine the hon. leader of the opposition has been accustomed to use himself in times past, Canada should be considered to be in a fairly prosperous condition. I have here a little pamphlet that came into my hands last night—I am only sorry that I have not had time to read it in more detail—issued by the Canadian Pacific Railway Company on agricultural and industrial progress in Canada. Evidently the Canadian Pacific Railway Company has no doubt as to the prosperity of Canada judging by this pamphlet. It empha-

sizes the fact that bond sales during the year have been gratifyingly large, and in a large measure are being purchased by Canadian citizens, and so on all through the pamphlet. It points out the great increase that has taken place in the establishment of industries and in the products of those industries. I might call attention to one of these, one that we have had to deal with in the past and that may be brought to our notice again. I do so because I believe application has been made to the tariff advisory board to consider the question of a duty on binder twine. Now this pamphlet deals with the cordage, rope and twine industry, and it points out that during the year the number of plants engaged in the manufacture has increased from nine to eleven, and that the gross value of the products has increased from $8,000,000 odd to $10,000,000 odd. But the last paragraph in this particular section deals with the question of binder twine, and in view of the application which has been made for the imposition of a duty on that article I think it is well worth hearing these figures. So I will read the paragraph:

> The binder twine situation in Canada in the first six months of the present fiscal year is very interesting. Imports into Canada in the period dropped from 280,895 hundredweight, worth $4,049,686, to 194,283 hundredweight, worth $2,290,110, the decrease being due to lower purchases from the United States, while those from the United Kingdom and the Netherlands increased. At the same time exports rose from 59,280 hundredweight worth $742,735 to 140,299 hundredweight, worth $1,571,234. While there was a decline in exports to Argentina of from 16,602 hundredweight, worth $215,225, to 7,500 hundredweight, worth $82,500, shipments to the United States increased from 25,450 hundredweight, worth $334,123, to 66,860 hundredweight, worth $794,022, and to Russia from 1,060 hundredweight, worth $11,872, to 30,872 hundredweight, worth $340,359.

So that while these binder twine industries are asking for protection for their products, these figures issued by the Canadian Pacific Railway Company make it abundantly clear that they are perfectly well able to compete with other manufacturers, both in the United States and in Europe, in their own territory. Let us hope, therefore, that we will not hear very much about any proposition to put a duty on binder twine.

There has been some difficulty on my part in trying to reconcile the position taken by the leader of the opposition in the first part of his speech with another taken in the latter part of that speech. In the first part of his speech he referred to the fact that we were exporting very largely of our raw products

of the farm, the forest and the mines. I would not have been very much surprised at that had he not included paper in the list. In the early days of the parliament that was elected in 1921 we were, for two or three sessions, met by the demand that there should be an export duty upon pulpwood, or in some cases an embargo, and the reason given was that we should seek to turn more of that raw product into newsprint. It was urged on the other hand, and I think as events have shown properly so, that there was a gradual, normal increase in the manufacture of pulpwood into newsprint without the imposition of either an embargo or an export duty. That is abundantly confirmed now in this pamphlet. Figures were submitted last session by the pulpwood association, that is an association consisting of the small owners of pulpwood land, to show that a proportionate increase was indeed taking place, and that is abundantly proven according to the statements in this pamphlet. It points out that in 1927 the output of Canada was substantially over the 2,000,000 ton mark, and that increases the Dominion's lead over the United States to more than 500,000 tons as compared with less than 200,000 tons in 1926. Let me read another paragraph:

> Similarly the export of pulp and paper products from Canada in the twelve months increased in value by over $3,000,000. This increase is attributable entirely to exports of paper, these growing by almost $10,000,000 in value, while the value of exports of pulp decreased substantially.

Therefore if we had taken the advice of hon. gentlemen, most of them situated in that corner of the house, to put an export duty on pulpwood or an embargo as was advocated in some cases, we would have been taking a step that was not necssary to accomplish the purpose which they had in view and that would probably have wrought injury to other interests that would have been affected.

We can take it as absolutely certain that for many years to come our chief exports are going to be just the products of the farm, the forests and the mines. The question of the conservation of our timber resources is an important one; it is one that should be faced by the government as a question by itself, and every possible proper means should be taken of conserving these resources. But when the hon. member came to the latter part of his speech, I found it a little difficult to reconcile the position he took then with his first position, because he advocated a very large policy of immigration; that large sums of money should be set aside to promote immigration to bring people in to develop our natural re-

sources. If we are going to bring in a large volume of immigrants, we may take it for granted that the great majority of those people will be employed in developing our mines, forests and fields, and for a long time to come these products will constitute the great bulk of our exports.

I was interested when the hon. member for South Wellington (Mr. Guthrie) spoke of the burdens that were being levied by this government upon the people. Again he overlooked the fact, to which I took occasion to call attention last year, that there was a tendency to confuse the rate of taxation with the volume of taxation. Perhaps in some few details it may be pointed out that the burden on the people has been increased. That is certainly true with regard to the duty on raisins, as affected by the Australian treaty. Without going into the merits of the sales tax I will admit that in that connection there may be some slight increase; but let us remember that so long as we impose indirect taxation, so long as we impose taxation upon trade, it is impossible for this or any other government to say what the volume of taxation will be. All that the government can do is to fix the rate of taxation, and if trade is prosperous naturally the volume of taxation will increase, so that those across the way or others may argue that the burdens upon the people are correspondingly increased. I took occasion last year to place on Hansard certain figures that I had gathered in regard to the automobile industry. I have not those under my hand at the moment, but they showed conclusively that the reduction of the duty on automobiles had led to a great increase in the revenue that the country derived from automobiles. Indeed, the argument that we always placed before tariff commissions when we met, was that it was possible to reduce duties and yet increase the revenue. Even the hon. member for South Wellington at one time in his political career would have used the same argument.

Mr. BENNETT: But the sales tax and the excise tax were left on automobiles.

Mr. BROWN: I am referring simply to the customs duty on automobiles.

Mr. BENNETT: But the burden of taxation with respect to automobiles is higher.

Mr. BROWN: It was not increased.

Mr. BENNETT: Of course it was. One was taken off and the other put on.

Mr. BROWN: No. The hon. member for South Wellington made a remark which struck me very forcibly at the time he made it. He said: "What we need is a minister of finance with courage." I began to think over the matter and the various demands that were being made upon the Minister of Finance just to see what kind of a minister of finance we really needed. I came to the conclusion that it was not so much a minister of finance with courage that we needed as a minister of finance who was a magician who could show us how we were going to reduce taxation and pay the public debt, how we were going to reduce taxation and increase our expenditures, how we were going to have our cake and eat it. I felt that we needed a minister of finance who could demonstrate that it was possible for two straight lines to enclose a space and who could disprove Euclid's axiom that "things which are equal to the same thing are equal to one another." In view of the fact that we are called upon to make very large expenditures—and when the estimates are brought down we will find that hon. members from all over Canada are asking for them, and there is room for increased expenditures—I can well imagine that the Minister of Finance will have a job on his hands to reconcile the two ideas.

But if we have not a minister of finance with courage, we have a Minister of Railways and Canals (Mr. Dunning) who at least has exhibited courage in his mode of dealing with the Hudson Bay railway. I think I ought to give him credit in any event for that. The easiest path for him to have taken would have been the path of least resistance, namely, to have gone forward with the development of the port of Nelson. In doing so he might have fallen back upon the reports of engineers who had previously given decisions in regard to the matter. But instead of that he took what at one time was an unpopular stand in this house. It was unpopular, I know, when the Minister of Agriculture (Mr. Motherwell) took the stand that Churchill should be considered. Personally I must confess that at that time I took the stand myself that, unless very good cause could be shown for a change, having begun the development of the port of Nelson we should continue to develop that port.

Mr. BENNETT: We spent six million dollars.

Mr. BROWN: But in reading the reports that have come from Mr. Palmer I am satisfied that the correct decision has been reached. It seems, though, that we were formerly misled as regards the character of the Churchill harbour. I know I had always been given to understand that Churchill harbour had a rock bottom; that it would be impossible to

make a harbour there without a tremendous amount of work. The reports indicate that instead of the harbour at Churchill having a rock bottom it has a bottom that can be very readily dredged to make a harbour sufficiently commodious for the purpose in view. There was a disposition to establish comparisons between the engineers who years ago decided on Port Nelson and Mr. Palmer who has given his decision in favour of Fort Churchill. All I can say is that we have some little light thrown upon the engineers who chose Port Nelson when we remember that they sent up there a sand sucker dredge that never found any sand to suck. The nature of the bottom to the harbour would not permit of its being sucked.

I do not intend at this time to deal at any length with the tariff. Our position with regard to that matter has already been emphasized on both sides of the house, but I wish to point out one or two things with regard to the customs regulations of the day. I would like to endorse what the hon. member for Souris (Mr. Steedsman) said last night. The customs regulations are in some cases most annoying. I think hon. members and ministers do not always get the point of view of those who have to abide by those regulations. They should remember that over one thousand miles of the Canadian boundary lies between the great lakes and the Rocky mountains. It should be made as easy as possible for people living on both sides of the boundary line to obey the law. Customs laws are not very popular at any time. We all know that, but we should make them as easy of observance as possible. That is not the case at the present time. Indeed, a great hardship is imposed upon many innocent people who have to pass backward and forward across that line. I notice that in the report of the Customs commission there is a recommendation that the number of ports of entry be decreased. Before that is done, I would ask that the Minister of National Revenue give very careful consideration to the matter. I had hoped before speaking on this matter to have had the whole situation more completely in my mind as regards the number of ports of entry than I have at present, but I know that along my own line of railway within the province of Manitoba, which runs at distances varying from ten to twenty miles from the boundary, practically right through the southern part of the province, a certain number of customs houses and ports of entry are located. There are one or two others. I can conceive it quite possible to reduce the number situated along that line of railway without entailing any hardship upon any person. So far as the customs report deals with the merchandise brought in through those ports, I will take no exception to the recommendations, but if the number of ports of entry is reduced, account should be taken of the fact that it is not merely the merchandise that actually comes in that has to be taken care of, but also the prevention of smuggling from the south, and further that reasonable facilities must be afforded those who want to pass backward and forward. If the minister carries out the recommendation without taking these considerations into account, he will make a mistake. I had occasion last fall to visit a point along the international boundary. I was asked to go down and see the condition of things that prevailed there, and I found that it was a matter of great hardship to the people who wanted to pass backward and forward to observe the regulations that were imposed as regards getting permits for crossing the lines and then the return of the permit. The character of the country there was such that men could not reach the nearest office without making long detours, and it puts honest law-abiding men in the position that they can only obey the law at very great hardship and cost to themselves. Before the report of the Customs commission is put into effect as regards reducing the number of points of entry, I hope this phase of the situation will be given consideration by the minister. The argument is frequently advanced in regard to the liquor trade, that bootlegging is increased because of the rigors of the law. Indeed, in the customs report, it is said that there would be less inducement to break the law if the excise duties were not so high. I am not going to discuss that argument in the meantime, but if it is true in regard to that matter, it certainly ought to be true in regard to the question to which I am referring; so that innocent people who want to cross backwards and forwards should have no more hardships than necessary placed in their way. We are aware that state roads are being constructed in the United States to meet the highways in Manitoba, to permit intercourse between the two peoples, and then we enact these very drastic regulations, to prevent the people making use of these facilities.

I shall not deal further with that just now but I wish to bring the matter strongly to the notice of the Minister of National Revenue (Mr. Euler).

I heartily endorse what has been said with regard to the necessity for the establishment of better facilities for promoting research.

Research is of importance to the farming industry because of the prevalence of and the destruction caused by rust. Indeed, unless some remedy is found for the rust that is now afflicting our crops there is great danger that Canada may lose the pre-eminent position it now occupies in the export of high class milling wheat, and no amount of money that can be spent will be too great if a solution of that problem can be found. If in attempting a solution of the problem we find it necessary to pay higher salaries to the technical men in question, pay them we must, and if in order to pay them we must to some degree upset the Civil Service Act, then upset it must be.

Mr. MOTHERWELL: Hear, hear.

Mr. BROWN: Because we cannot afford to lose the best trained men of Canada when they are needed to investigate these problems.

Mr. ECCLES J. GOTT (South Essex): Mr. Speaker, I should like to occupy the time of the House for a few moments to discuss the situation as it exists in western Ontario among the tobacco growers, which is most appalling. Before so doing I desire to join with other members of the house in offering my congratulations to the mover (Mr. Ilsley) and seconder (Mr. Beaubien) of the address, as I also desire to bespeak appreciation of the tobacco growers of western Ontario, particularly the riding which I have the honour to represent.

I desire to thank the Minister of Agriculture (Mr. Motherwell), his deputy, Dr. Grisdale, the Minister of Agriculture for Ontario, Hon. John S. Martin, and his deputy, Mr. Roadhouse, for the personal attention they have paid to the tobacco growing industry of western Ontario. I desire to read an article appearing in the Tobacco Growers Guide, taken from the Farmers Advocate, which says:

The whole tobacco growing industry in Ontario is deep in the quagmire. The reasons given for this unhappy state of affairs are many and conflicting. Some blame the quality of the crop; others blame the tobacco companies. In spite of the British preference and the alleged demand in the United Kingdom, our tobacco is not moving and morale amongst the growers is at low ebb. When a situation such as this arises there are usually many reasons; and the only way to let in the light and clear the matter is for the growers themselves to be masters of the situation, know all the facts and through their own duly elected officers keep themselves informed as to requirements, values and movement of crop. So long as the growers know only the producing end of the business, and many of them knowing that poorly, there will be disappointments and failure. The only solution of the problem is a real business-like co-operative marketing company, owned and controlled by the growers themselves. Such a company could advise its members regarding acreage; through instructors it could assist growers in producing a quality product, and then it could explain to its members what the market situation really was. So far as Ontario is concerned the growers themselves would be masters of the situation and would not be working constantly in the dark as they seem to be at present.

Now, Mr. Speaker, in the constituency which I have the honour to represent we produce approximately forty per cent of the entire crop of tobacco raised in the Dominion. During the last few months I took occasion by calling private meetings to ascertain if we could not uncover the discrepancies and discriminations that seemed to exist against the tobacco growers. I held sixteen private meetings before calling a general meeting, which was attended by seven hundred tobacco growers in the town of Leamington. These meetings were the prelude to a meeting that was attended by the hon. Minister of Agriculture (Mr. Motherwell) and his deputy minister. Aside from the private meetings that I called, other meetings were being held in the county, and at one the following resolution was passed:

Whereas the farmers of Essex county have been induced by various ways and means to tremendously increase their acreage of tobacco and their capital investment to take care of the same during the past season;

And whereas these farmers are now finding that their marketing facilities, conditions and quoted prices are irregular and discouraging for the future.

The directors of the Essex County Farm Bureau request that you bring these conditions to the attention of your Department of Agriculture so that if possible we ascertain the reasons for these irregularities, with the end in view of having a more satisfactory solution found for this acute problem.

This was carried unanimously. In addition to those meetings there was a meeting of the tobacco growers of the township of Pelee island in the constituency of South Essex, and the following resolution was passed:

That this meeting, representing the tobacco growers of Pelee island, views with much concern the state of the industry, both as regards price paid by the buyers and the difficulties experienced in disposing of the crop to the best advantage.

We feel that the advantage of the British preference has not benefited the growers in any sense, but that the money has gone into the hands of the buyer, thereby depriving the grower of the benefit for which the preference was intended.

It is becoming obvious that the present state of affairs cannot go on, for the simple reason

that the grower is never sure of being able to dispose of his crop. Tobacco farming is not the easiest task in the world, and the grower wants to feel a little more confident concerning the disposal of his crop.

Having before us the wonderful advantage the wheat pool has given the farmer in the west, this meeting is of the opinion that a pool, of a similar nature would be advantageous to the tobacco grower, and wishes to place on record its willingness to support any move made in this direction.

These are only samples, Mr. Speaker, of the resolutions that have been passed at meetings held in the riding which I have the honour to represent. Now, we have what is known as a British preference on tobacco. That preference was established by the British government in 1916 to induce the growing of better grades of tobacco in the British colonies for consumption in the British market. This preference was first given in 1916, taken away in 1921, and re-established in 1925. It gives the growers of colonial tobacco a preference of 49 cents a pound in the British market. But, sir, we have come to the conclusion that to-day the tobacco growers of western Ontario are not enjoying the preference that was given them with the sole intention of their not only increasing their acreage but improving the grade of their tobacco. Just to show that our tobacco is winning favour in the British market I desire to quote the following figures of increasing exports:

	Pounds
1920	70,000
1926 (approximately)	6,000,000
1927	5,577,981

The figures for 1927 are for the ten months to the end of October. Our exportation to Great Britain represents less than four per cent of the consumption of the British tobacco market. Now let me give the house the British imports of tobacco from the United States during 1926:

	Pounds
Flue cured	125,964,372
Barley	305,942
Dark fired Kentucky	15,733,539
Dark Virginia	3,626,160
Green river	3,638,170
Cigar leaf	30,380

During 1926 Canada imported from the United States 13,517,316 pounds of flue cured tobacco. We imported only 141,656 pounds of cigar leaf and 282,123 pounds of dark fired Kentucky. Last year we consumed in our domestic market approximately 40,000,000 pounds of tobacco. We exported to Great Britain 6,000,000 pounds of flue cured and we imported from the United States 13,517,316 pounds.

[Mr. Gott.]

Now, Mr. Speaker, the duty on tobacco going into the United States is much higher than our duty on their tobacco entering Canada. The United States duty on Canadian unstemmed tobacco runs from 45 cents to $1.85 a pound and on stemmed from 50 cents to $2.50 a pound. The Canadian duty on American tobacco is only 40 cents a pound straight, and importers have the privilege of leaving it in bond for two years. They are also allowed a rebate of the duty paid in respect to raw leaf manufactured for export. I should just like to address the Minister of Agriculture for a moment, if he will give me his attention. I think it would be wise to discontinue the rebate which is allowed to our tobacco manufacturers on imported raw leaf when manufactured for export. I desire further to say to the minister that as tobacco-growing has become the most important industry among the farmers of western Ontario, no rebate should be allowed, and the duty should be collected when the tobacco enters the country. I should also like to say to the hon. Minister of Finance (Mr. Robb) that if we had a higher tariff on flue cured tobacco coming from the United States part of the problem now confronting our farmers in the tobacco-growing sections of western Ontario would be solved.

May I direct the attention of the Minister of Agriculture and the Minister of Finance to the three principal factors that enter into the solution of our tobacco problem? First, a more extensive cooperative marketing system; second, a reduction of the excise tax on cigars and cigarettes; third, a higher duty on flue cured and other tobaccos entering Canada from foreign countries. I think that the farmers are doing their very best to solve their present difficulties, and in view of that fact I am going to ask the government to increase the duty on flue cured tobacco coming from the United States, not up to $1 or $1.50 a pound, but to 65 cents a pound. I think that will help to solve the problem. The Minister of Agriculture knows that it is a very serious problem. We have 5,000,000 pounds of the 1927 crop still unsold, in a non-competitive market, where there is no person bidding on the crop, and I think the house will agree with me that that is a very precarious condition for the tobacco growers of western Ontario to be in. The farmers are doing their part, and I ask the government to join with them and do its part. It is a very easy thing to increase the duty to the point where it should be.

We imported 13,500,000 pounds of tobacco last year from the United States, and we ex-

ported to Great Britain only 6,000,000 pounds. To show you that our tobacco is winning favour year by year in the British market, I desire to give the exports from Canada for the last six years:

Year	Pounds exported
1921-1922	340,487
1922-1923	892,482
1923-1924	1,164,061
1924-1925	2,219,109
1925-1926	2,722,897
1926-1927	6,308,093

This is evidence, Mr. Speaker, that our tobacco is growing in favor year by year in the British market. The British market took last year altogether 197,509,815 pounds of tobacco for consumption in the British market, and for the first ten months of 1927 they imported 158,693,166 pounds, so if we can produce a good quality tobacco in Canada we can sell to the British market all the tobacco we can produce in this country. Just think of it, Mr. Speaker, only four per cent of the total imports of the British market are supplied by Canada, and yet the preference was given to colonial tobacco growers in order that they might raise the quality and type of their tobaccos in the British colonies, so that Britain could purchase its tobacco requirements from them instead of purchasing each and every year 150,000,000 pounds of tobacco from the United States.

The entire tobacco crop in Canada in 1925 was approximately 30,000,000 pounds. Ontario produced approximately 26,000,000 pounds, of which Essex county produced 13,674,900 pounds. So that the riding I have the honour to represent produced approximately 13,000,000 pounds, or considerably more than half the tobacco grown in Canada in 1925. In 1926 the price of flue cured tobacco ranged from 32 to 60 cents a pound. In 1927 much of the flue cured tobacco that we produced in the county is still unsold, and there is no competition. The highest price paid in 1927 was 44 cents per pound.

During my investigation into conditions in the tobacco industry I was amazed to ascertain the profits of the Imperial Tobacco Company, and when I quote the enormous profits that are being made by this company, I want it understood that I am not taking issue with any director or any member of that firm. So far as I know, each and every person connected with the Imperial Tobacco Company is a gentleman; I hope so, at least, and every person who buys for them is, I believe, a gentleman of high standing. I am quoting these figures only to show the enormous profits that are made by the manufacturers as compared with those who grow the tobacco, those who do the real hard work and suffer the hardships. I wish to show that the profits of those who do the real hard work are not all commensurate with the profits made by the tobacco manufacturers. I would ask the Minister of Agriculture to grasp the significance of the following figures. In 1926 the net profits of the Imperial Tobacco Company were $3,672,850. For the fiscal year ending September 30, 1927 the total net profits were $4,371,613. I trust that the Minister of Finance will note the figures I am giving. For the two years 1926 and 1927 the total net profits of the Imperial Tobacco Company were $8,044,463.

Mr. ROBB: Is that after paying dividends?

Mr. GOTT: Those are the net profits.

Mr. ROBB: After paying dividends.

Mr. GOTT: The net profits, I presume, would include dividends. Those are their net profits anyway. Now during the year 1927 it is claimed that the Imperial Tobacco Company handled less than 10,000,000 pounds of tobacco. If that is the case, they made no less than 43.71 cents per pound on every single pound of tobacco they manufactured. These are figures that have been cited not only at private but at public meetings. They are figures that have never been disputed, and I have every reason to believe that they are correct. The Imperial Tobacco Company or officials thereof also make enormous profits through the sale of fertilizer to the farmer; they get the farmer both coming and going. They sell the fertilizer at high prices to the farmer, and the farmer has to take any price they offer for his tobacco. It puts the farmer in a very disadvantageous position. He has to pay the highest price for the things he wants to buy, and when he goes to sell his products he has to take any price they offer. That of course applies not only to tobacco but to all the products the farmer raises in the Dominion. He pays the highest price for the goods he buys, and generally sells his products for the lowest price, due to the fact that he buys in a protected market and sells in a non-protected market.

I have before me reference No. 69B, which was an application made to the tariff board. I have not very great confidence in the tariff board, but I should like to read this application which was made to them, signed by Andrew Wilson & Company, Limited, General Cigar Co. Limited, L. O. Grothe, Limited, H. Simon & Sons, Limited, John McNee, Sons, William Ward & Sons, Limited, McLeod Nolan & Company, The Tuckett Tobacco Co. Limited. The reference reads as follows:

In making representation on behalf of the cigar manufacturing industry of Canada for relief from present taxation burdens, we would point briefly to the appalling decline in the past decade and a half. Further, we would again voice our contention that the increased duties imposed since 1913 were in the nature of war time levies and as such should now be removed.

The reduction in the number of cigar factories in Canada during the past ten years has been 60 per cent. Employment has been seriously curtailed; capital has been penalized and government revenue has suffered.

In order to restore the industry to anything like its former basis, material reduction in prices to the consumer must be made. Such a reduction is only possible through reduction of the levies which have been imposed on the cigar trade through taxation since 1914.

I heard two or three words of the speech of the hon. member who preceded me, and one word which struck me forcibly was the word "bootlegger." I want to say to the Minister of Finance that there is more bootlegging in the Dominion of Canada in the cigarette business to-day than in any other branch of commerce, and I will point out how easy it is to smuggle and sell American made cigarettes in Canadian stores. There are thousands of cartons of cigarettes coming into Canada on which no duty is paid. Across from Windsor there is a store at the foot of Woodward avenue in Detroit which caters to Canadian business. Men go in there and they are not content to bring a package of cigarettes across but bring two cartons on their hip, and if they are coming in cars they bring many more cartons of cigarettes with them. Some of the stores in Essex county import cigarettes and pay duty on them, but these are only sold when some officer of the law pays them a visit or when suspicious people are in the store. For the rest of the time they are selling cigarettes imported from the United States on which no duty is paid at all.

Cigarettes in Canada to-day are twice as expensive as in the United States, due to the excise tax. This brief also points out that the production of cigars in Canada has dropped from 294,772,935 in 1913, when the 28 cent and 42 cent leaf duty was effective with a flat excise of $2 per thousand, to 174,154,652 in the fiscal year ending March 31, 1927. I say to the Minister of Finance now that this reduction in excise which I propose will be an inducement to Canadian manufacturers of tobacco to place on the market a cigarette which will appeal to the consuming public, and it will stop the smuggling of cigarettes to a very large extent. The excise tax on cigars and tobacco to-day is too high, and constitutes an extreme penalty on the consuming public, the manufacturer and the grower.

Now, Mr. Speaker, I desire to place on record the imports of unmanufactured tobacco into the United Kingdom for each of the calendar years from 1922 to 1926 and for ten months of 1927, as well as the imports of unmanufactured tobacco into the United Kingdom for the fiscal years 1920 to 1924, which includes the importations from British Colonies as well as other countries. I also wish to place on record, with your permission, the exportation of unmanufactured tobacco from Canada by fiscal years for the years 1921 to 1927 inclusive. It shows that we have gradually increased our exports to certain countries, while in other cases our exports have fallen off. For instance, in 1924-25 we exported to Germany 794,815 pounds, while the following year we exported only 711 pounds, and for the year 1926-27 we exported 1,952 pounds. With your consent, Mr. Speaker, I will place these figures on record.

IMPORTS OF UNMANUFACTURED TOBACCO INTO UNITED KINGDOM

Calendar Years

Countries	1922	1923	1924	1925	1926	1927 to Oct. 31st
U.S.A.	166,396,097	155,434,263	156,921,009	163,030,799	161,659,317	121,369,088
Other Foreign Countries	5,535,058	5,569,386	6,743,647	7,476,078	5,856,206	3,495,013
Total Foreign	171,931,155	161,003,649	163,664,656	170,506,877	167,515,523	124,864,101
Cyprus	46,772	140,814	58,891	14,217	7,430	66,372
South Africa	59,387	50,505	110,398	27,222	462,934	176,995
N. Rhodesia	360,325	366,513	718,200	993,863	2,323,322	720,979
S. Rhodesia	.....	.....	.....	.....	.....	6,581,287
Nyassaland	6,734,863	5,891,167	7,162,183	7,300,385	9,157,582	11,757,188
N. India	3,934,573	4,574,504	8,353,408	7,965,987	12,216,058	7,505,258
Br. N. Borneo	593,016	894,209	857,791	852,696	913,141	1,348,501
Canada	855,397	955,507	1,747,960	1,848,533	4,892,386	5,577,981
Other British	.....	.....	.....	.....	21,439	94,504
Total British	12,584,333	12,873,219	19,008,831	19,002,903	29,994,292	33,829,065
Grand total	184,515,488	173,876,868	182,673,487	189,509,780	197,509,815	158,693,166

Fiscal Years

BRITISH

Countries	1920	1921	1922	1923	1924
Irish Free State	.....	.....	.....	8,463	364,002
South Africa	927,897	10,572	59,387	50,505	197,402
Nyassaland	5,505,518	4,776,903	6,734,863	5,891,167	6,882,452
British India	9,589,879	1,415,162	3,934,573	4,574,504	8,388,055
Canada	215,137	174,361	855,397	955,507	1,787,170
Cyprus	43,611	15,503	46,772	140,814	59,382
Rhodesia	156,249	174,665	360,325	366,513	719,392
British North Borneo	1,579,056	739,050	593,016	894,209	839,730
Other British Countries	2,832	20,524	37,775	9,644	35,871

FOREIGN

Russia	10,886,174	776,164	24,056	161,696	695,156
Netherlands	1,479,462	481,505	981,718	1,005,772	871,180
United States	177,448,836	214,690,878	166,755,352	154,799,345	156,891,097
Cuba	167,619	53,864	130,821	112,617	193,200
Belgium	496,942	67,625	130,657	70,610	180,301
Syria	.....	1,485,656	1,499,562	1,758,317	1,947,316
Portuguese East Africa	325,434	7,304	9,698	.....	372
Greece	974,462	1,144,593	1,235,285	868,769	1,066,844
Bulgaria	961,337	378,555	52,885	863	13,170
Turkey	.....	55,085	68,903	308,462	.....
Smyrna	5,927,005	401,300	457,028	.....	527,699
Armenia	.....	29,452	11,060	222,744	.....
Egypt	160,584	68,768	28,527	31,691	50,065
China	1,022,105	502,616	258,167	273,412	185,539
St. Domingo	461,775	.....	872	.....	.....
Mexico	17,880	22,319	5,267	6,740	.....
Brazil	91,940	102,874	243,457	158,340	146,740
Other Countries	324,658	42,502	161,091	215,059	200,697

EXPORT OF UNMANUFACTURED TOBACCO FROM CANADA BY FISCAL YEARS IN POUNDS

1921-1927

Country	1921-22	1922-23	1923-24	1924-25	1925-26	1926-27
United Kingdom	340,487	892,482	1,164,061	2,219,109	2,722,897	6,308,093
British Guiana	11,087	8,415	.....	.....	374	.....
British West Indies	4,684	.....	.....	.....	.....	.....
Newfoundland	.....	.....	.....	.....	400	.....
Belgium	84,543	176,737	175,447	127,119	79,995	.....
Denmark	.....	.....	318,474	326,075	17,660	.....
France	2,211	.....	.....	.....	.....	.....
Germany	16,132	.....	324,202	794,8.5	711	1,952
Italy	.....	.....	59,328	.....	.....	.....
Netherlands	.....	12,952	3,050	20,576	.....	.....
Switzerland	.....	.....	.....	32,860	.....	.....
United States	12,847	10,421	13,775	10,868	38,376	8,648
Other Countries	.....	.....	.....	.....	.....	12,279

I desire for a moment, Mr. Speaker, to refer to the early vegetables which we produce in Essex county. I have the honour to represent the most southerly section of Canada, which I believe produces the finest crops of early vegetables in Canada. During the debate on the budget last year the hon. member for Weyburn (Mr. Young) made certain remarks in connection with the dumping clause to which I will refer. I am sorry the hon. member is not in his seat, but I will read what he is reported to have said, which will be found at page 541 of Hansard for last year:

> They told me that dumping was going on. I undertook to find out whether it was going on or not and to find out what evidence there was that it was being practised. I went to the Minister of Customs and asked him. He reminded me that the Liberal party was not in power at the time and that the Conservatives were responsible. He referred me to his private secretary. I went to the private secretary and he referred me to the deputy minister. I went to the deputy minister and he referred me to somebody else. I went to that somebody else, and he referred me to still another. I think I went to every man in the customs building, except perhaps the policeman and the janitor, and I put the same questions to everyone. "What evidence had you that dumping was being practised last July when you imposed the dumping duty?" They all made the same answer: "Plenty of evidence", ...

The hon. member for Weyburn used a good deal of space and a large number of words in explaining to the house that he was unable to find any evidence of the dumping of early vegetables into Canada during the year 1926. On July 1, 1926, I received the following telegram:

> We respectfully wish to draw your attention to the fact growers here have been seriously handicapped by heavy importations of southern cucumbers and tomatoes which have severely hurt marketing of our hot house crops in this district. We are now about to begin heavy shipments of field crops such as cabbage and tomatoes and if above unfair competition continues serious losses will be sustained by our growers. We would ask you to use every influence to remedy these conditions.

This telegram was despatched from Leamington and was signed by the Seacliffe Growers. That telegram was passed on to the Minister of Agriculture, who wrote me saying he had referred the question to the Minister of Finance, who in turn referred it to the tariff board, a body which I claim is inactive and never had many signs of life. On July 2, I received another telegram signed by the Seacliffe Growers, as follows:

> Cabbage crop nearly unsalable. Prices offered would not net growers one cent pound. Tomatoes in much same position. All owing to import of American stuff which is being dumped in this country at prices that take such low duty that there is no protection to our growers. Cannot something be done to enforce anti-dumping act? This situation has already entailed serious loss to producers in this country.

The following figures, I think, will explain the state of affairs directly responsible for that telegram. During the week from June 24 to July 1 inclusive there were imported into Canada 128 carloads of tomatoes which arrived at their ports of entry practically free of duty, or at such a low rate that it meant no protection to our growers. The following are the figures:

	Carloads
Montreal	79
Toronto	35
Winnipeg	8
Ottawa	6

During the seven consecutive weeks from May 12 to June 30 of the same year, 1,911 carloads of early vegetables were imported,

which threatened destruction to this industry in Essex county. Here are the figures:

Week ending	Carloads
May 19	205
May 26	230
June 2	365
June 9	220
June 16	260
June 23	217
June 30	414

I say to the hon. member for Weyburn that these conclusive figures should be definite proof that dumping did exist when order in council No. 1088 was passed. When I returned to Essex county, from which the complaints had emanated, and visited the farms and fields, after ascertaining beyond question of doubt that the importations from the United States were causing serious injury to our farmers I forwarded the following telegram to the Hon. H. H. Stevens, who was at the time Acting Minister of Agriculture:

Vegetable growers of South Essex have drawn my attention forcibly to glutted conditions of their markets making it impossible to dispose of their produce with the result that crops are being left in the field. Government reports issued by the Fruit branch, Department of Agriculture, show hundreds of carloads of competitive vegetables imported weekly—see telegraphic report number 14 showing 414 cars imported into eleven Canadian centres during the short period of one week. American reports show such crops in the United States being shipped at prices that do not pay cost of transportation to markets, far less cost of production, with result that ad valorem duty imposed by our government and based on invoice price at point of production means absolutely no protection against heavy importations. These deplorable conditions existing now with reference to hothouse tomatoes, cabbage, and beans will continue with reference to main crops of field tomatoes and potatoes which are now ready to be harvested, unless some immediate action is taken now by our department. On my return to Essex county I made a personal canvass of the district and find conditions exactly as represented in this wire.

ECCLES J. GOTT.

In response to my appeal Hon. Mr. Stevens caused the immediate passing of the order in council known as No. 1088, to which the hon. member for Weyburn (Mr. Young) takes serious objection. That order in council was dated July 13, 1926 and under it the Acting Minister of Customs and Excise valued certain fruit and vegetable products when imported from the United States, as follows, per pound net:

	Cents
Tomatoes	5
Cucumbers	3
Cabbage	1¼
Celery	2
Onions	1¼
Potatoes	2
Asparagus	10
Carrots	1½
Beets	2
Lettuce	3
Spinach	3
Cauliflower	2½
Peaches	4
Raspberries	17

It was declared:

These values shall be held to be the fair market value thereof for purposes of application of ad valorem rates of duty and special duty.

I would ask the hon. member for Weyburn if he does not consider these prices represent a fair market value. My hon. friend made a reference to section 47a of the Customs Act. The growers in the county which I represent appreciate very much the fact that there is such a clause in the Customs Act under which fair market values may be placed on importations from the United States during periods of dumping. I think my hon. friend will agree with me that it was in the best interests of the farmers that the action referred to should have been taken. It certainly was in the best interests of the farmers that I have the honour to represent. The very moment that order in council went into effect the huge importations of cheap American products ceased, and the Canadian growers delivered to the towns in Essex county fresh vegetables each day. They sold direct to the consumers at a satisfactory price and the latter paid less for what they bought than they otherwise would have paid.

I observe that my time has expired, but in closing I want to make a reference to the unfavourable trade balance of the Dominion, which declined by something over $114,000,000 in the twelve months ended September 30th last. During that period we exported to Great Britain $435,350,400 worth of products, and we imported from that country $227,000,000 worth of produce, giving a favourable balance in the case of trade with the mother country of $208,000,000. On the other hand we exported to the United States $477,154,614 worth of goods and imported from that country goods to the amount of $707,654,535, leaving an adverse trade balance with the United States of $230,499,921. Thus our trade with Great Britain resulted in a favourable trade balance of $208,000,000, whereas our trade with the United States occasioned us an unfavourable balance of $230,499,921, leaving us with a total adverse trade balance for the year of 22 million dollars.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. W. G. BOCK (Maple Creek): Mr. Speaker, I should like to ask the indulgence of hon. members for any imperfections they may observe in my attempt to present a few remarks in connection with the speech from the throne. Being a plain western farmer with no claims to oratorical ability and with but a very scant knowledge of parliamentary procedure, I trust their criticisms with regard to any observations I may make will be tempered with kindness, in return for which I shall endeavour to be as brief as possible.

In the first place I should like to congratulate the hon. member for Hants-Kings (Mr. Ilsley) who made so splendid an address on Friday last, and also to make mention of the very able manner in which the hon. member for Provencher (Mr. Beaubien) acquitted himself. I hope at some future time I may be able to present my remarks with the same assurance and ease of manner which my hon. friends displayed on that occasion. I also wish to congratulate the leader of the opposition (Mr. Bennett) on his having been elected to that high position, and, like many other Liberals present no doubt, I hope that he may long continue to hold that position.

I have been so much impressed by the grandeur and the splendour of these historic halls that I fear I may not be able to do justice this evening to my constituents, conscious that I am surrounded by brilliant statesmen and gifted orators. I can only comfort myself by remembering that, unschooled and inexperienced in parliamentary lore, nevertheless, as I wish to assure hon. members, I am sincere in my desire to be of service to my constituents and to Canada as a whole.

Miss MACPHAIL: I would not take the splendour too seriously. The hon. member is of more account anyhow.

Mr. BOCK: I thank my hon. friend. On an occasion of this kind I could scarcely forbear to refer briefly to the celebration of the diamond jubilee of confederation, and I think the national committee deserve our congratulations on the very successful manner in which that vast program was carried out. I am sure this celebration served to create a deep interest in Canadian history and tradition, because no one could have participated in that celebration without acquiring a more comprehensive knowledge of Canadian history. The various departments of government, both federal and provincial, reviewed the progress of our country since confederation in their many publications and supplied a mass of information on our political and economic development. In addition to this the newspapers, private institutions, and many individuals, contributed a large amount of valuable information touching on various phases of our Canadian life.

I am convinced that the influence of the celebration on the children of Canada must have been remarkably strong. From coast to coast our young people were busily engaged in essay-writing competitions and oratorical contests on Canadian subjects, which must have revived and deepened their interest in the study of Canadian history. The hon. member for Yorkton (Mr. McPhee) referred very appropriately last night to that particular part of the celebration when he commented on the way in which our foreign-born young people had participated in it. When we reflect that it is on the rising generation that the future of our country depends, the keen interest displayed by young Canadians was gratifying. The very atmosphere seemed to be filled with harmony and unity, and with a consciousness of the fact that the entire nation was listening to the grand carillon pealing forth our national anthems. The inspiring words spoken by our foremost Canadians seemed to find echoes in the hearts of us all. All question of partisanship, all distinctions of class, race or creed, were pushed far into the background where we hope they may remain forever. I am glad that at this session of parliament, following as it does the great jubilee of confederation, there appears to be even in this chamber an exemplification of that harmony and unity so strikingly in evidence last July, because sometimes on reading Hansard in the past I have been inclined to think that at times there was scarcely sufficient harmony to go round.

In the year just past we have had some very distinguished visitors in the person of His Royal Highness the Prince of Wales, his royal brother Prince George, and Mr. Baldwin, Prime Minister of Great Britain. While we as Canadians are always glad to welcome a representative of His Majesty to our shores, we always feel particularly glad to welcome His Royal Highness the Prince of Wales, as wherever he goes he carries a message of goodwill, and through his kindly and cheerful personality he has done much, I am sure, to strengthen the bonds of sympathy and common interest which unite the various units of the British Empire. The visit of Mr. Baldwin might be considered a reminder of the importance of our jubilee of confedera-

tion. I understand in visiting us last summer he established a precedent, as prior to that time no British premier had ever visited one of the dominions during his term of office. It is also interesting to recall that Mr. Baldwin was born in 1867, the year of confederation, and the fact that he celebrated his sixtieth birthday on Canadian soil was rather a pleasant coincident.

I should like to place on record a few remarks with regard to the Hudson Bay railway. In this regard I think the Minister of Railways and Canals (Mr. Dunning) is to be congratulated on the very prompt manner in which he acted in making his decision in favour of Fort Churchill as the terminus of that railroad. He did not hesitate nor allow the grass to grow under his feet after he received the preliminary report of Mr. Palmer, and though his prompt action in this matter was criticized to some extent by the leader of the opposition (Mr. Bennett), yet we all are aware that had he deferred action in order to await the approval of parliament on a matter of this importance, he would have subjected himself to the criticism of every energetic citizen of Canada, including probably the leader of the opposition himself.

I believe it is customary for a new member to refer to some of the outstanding features of his constituency, and in this connection also I shall endeavour to be very brief. The constituency of Maple Creek is situated in the extreme southwest corner of the province of Saskatchewan. It is an entirely agricultural area adapted to ranching and wheat raising. The western half of the constituency lies within the area known as the Chinook belt, which is not always blessed with the average or ordinary amount of rainfall, and which is subject in the growing periods to those hot winds that sometimes sweep in from the southwest and destroy the crops in a very short time. Many of the farmers in that area are in a rather unfortunate position. A considerable number of the original settlers have left and have located in other parts of the province where the rainfall is more plentiful. Many of those remaining will never be able to pay up the amount still owing on their pre-emption. It has been thought by some that if they were given an opportunity to file on a second homestead—the abandoned lands in that area being made available for this purpose, with the indebtedness cancelled —it might assist them materially to carry on. The hon. member for Medicine Hat (Mr. Gershaw) last night touched on this phase of the situation, as his constituency adjoins mine and many of the conditions there are much the same as those in Maple Creek. I have been informed that some relief may be anticipated, an act respecting debts due to the crown having been passed at the last session. This would mean that each case would have to be adjusted on its merits, I understand, as a blanket policy would involve difficulty in establishing boundary lines; that is, if a certain area were segregated it would apply to all located in that area. The settlers in this area are a very good class of people and are deserving of some consideration in this regard.

You, Mr. Speaker, have no doubt heard of the bountiful crops with which the west was favoured last year. We had an unusually late spring, and with the almost continuous rainfall seeding was not completed until about June 1, and in some cases later. We had an abundance of moisture, and the prospect looked very bright. Then a series of disastrous hailstorms swept over the country and wiped out thousands of acres of splendid crops. This was followed by frost and then by rust, and when the crops were harvested continual rainy weather delayed threshing operations. To aggravate matters, winter set in on November 6, much earlier than usual, and I would judge that in the western half of my constituency at least 45 or 50 per cent of the crop is still unthreshed, having been snowed under. A large percentage of the grain that had been threshed was of low grade owing to frost and rust damage, and the wet weather prevailing at that time caused most of it to grade tough or damp. So when we read in the papers about the glowing conditions in the west, we regret that those conditions do not obtain everywhere.

In this connection I would point out that I believe conditions would have been much worse had it not been for the operation of the wheat pool, for I am sure we are all agreed that through our system of distribution by means of centralized marketing we have been able to secure a much better return for our product than we could have done otherwise. I think the splendid success of the wheat pool in western Canada to-day constitutes a demonstration of the benefits of economic distribution, for while it raised the price of wheat to the producer—it has been said by reliable authorities in the neighborhood of 25 cents a bushel—it did not increase the price of bread to the consumer. Possibly some of our hon. friends who are seeking an upward revision of the tariff might be able to reduce their cost of distribution in somewhat the same manner.

I have noticed in the press recently that some of the experts engaged in rust research work in connection with the Department of Agriculture might be obliged to discontinue it owing to the remuneration not being sufficient. I think, Mr. Speaker, that if this branch of the department has any hope of solving so serious a problem as that of stem rust, we should see to it that sufficient funds are provided to enable the department to carry on in this very important research work.

I could not very well refer to the constituency of Maple Creek without making some mention of my hon. predecessor, Mr. George Spence, who was our representative in this house in the last two sessions of parliament. As an untiring worker in the interests of his constituents he had no peer. He devoted a great deal of his time to the promotion of railway branch lines. Indeed, most of his electors were very reluctant to dispense with his services as their federal representative. His work in relation to the establishment of the consumers' league is, I am sure, well known to us all. I might mention incidentally that the winning of elections was one of Mr. Spence's favourite pastimes. I believe in the past two years he has contested and won four elections. This is a record which, I think, will stand for some time to come. To follow in the footsteps of so energetic a man as George Spence—he is now Minister of Railways and Highways in the province of Saskatchewan—is going to be no easy task for me if I make any attempt to maintain the fast pace which he set.

In conclusion, Mr. Speaker, possibly I should thank the hon. leader of the opposition for the fact that the Maple Creek seat was not contested in the recent by-election, and I can afford to do so. But I am inclined to think that my acclamation was not due so much to any generosity on the part of the hon. leader of the opposition, or to any great personal merit of my own, but that it was rather a reflection of the confidence of the people of my constituency in the present Liberal administration.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, at the outset of my remarks I wish to congratulate the last speaker (Mr. Bock) on his maiden speech. I am sure that the oldest member is still able to look back to that outstanding event in his parliamentary career with a certain feeling of satisfaction. But although I am a young member I must confess that I do not recall my own maiden effort with unmixed pleasure; in fact I have not yet altogether recovered from the ordeal.

[Mr. Bock.]

The speech from the throne has been criticized for what it contains and for what it does not contain. Many able addresses have been delivered from both sides of the house, in the course of which the ground has been very fully covered, and if it were not that during the debate the Prime Minister (Mr. Mackenzie King) brought to our attention a matter which is very vital to the province of British Columbia, I would hesitate to take part in the debate at this time. I may say that the oriental question has never been a political issue in our province. We have, irrespective of party, been working shoulder to shoulder in that great fight for a white British Columbia. For the last thirty years we have appealed to this parliament and to the people of eastern Ontario to join with us in checking what we have termed the oriental menace. We have been rewarded by the fact that some years ago we were successful in securing the exclusion of Chinese immigrants. Since that legislation went into force not one Chinese immigrant has stepped on our shores. Now comes the question of the Jap, and I can assure hon. members, irrespective of party, that the people of the province of British Columbia were delighted to know that one of the old parties in Canada in convention this year, with representatives from all parts of this Dominion, recognized our claim for the general application of something in the way of effective exclusion of orientals. The Prime Minister in his address last Tuesday expressed regret at the action of this convention. He said:

> I was sorry to see at the party convention which my hon friend attended that among other resolutions which were passed was a resolution declaring for oriental exclusion.

I think, Mr. Speaker, that this house will agree with me that there was nothing wrong with that resolution. It is short and I am going to read it to you. It is as follows:

> Therefore resolved, that Canada adopt an aggressive system of immigration based upon the selective principle and with that end in view efforts be directed to:
>
> (1) Repatriation of Canadians.
>
> (2) Securing a larger percentage of British settlers.
>
> (3) Taking full advantage of the assistance tendered by the British government to promote empire settlement.
>
> (4) Making arrangements between the two governments to ensure proper training of the youth of the British isles as agriculturalists to better qualify them as Canadian settlers.
>
> (5) That in the selection and settlement of immigrants a sane classification and distribution should be made taking into consideration the immigrants' previous occupation and adaptability and that in such distribution the needs of all provinces should be given fullest consideration.

(6) That in selecting new immigrants, relatives of present citizens of Canada should receive favourable consideration.

(7) That special concessions be granted to Canadians to enable them to settle our vacant lands.

(8) .Oriental exclusion.

That resolution is in the best interests of Canada. I am not going to deal with it generally, but I will take up section 8, and I think it is fair that we should read along with this section the preamble:

Therefore resolved, that Canada adopt an aggressive system of immigration based upon the selective principle and with that end in view efforts be directed to oriental exclusion.

This is what we have been working for in British Columbia for a number of years in regard to Japanese immigration. We have asked that some action be taken that would eventually lead up to the exclusion of Japanese immigrants. About twenty years ago we entered into an agreement with Japan which was ratified by the two governments. It is known as a gentleman's agreement. The terms have not been made public, but it is understood it was to limit the immigration of Japanese immigrants to this country. In 1922 during a debate in this house I understand that a full day was set aside to consider the oriental problem. During that debate it was pointed out by some members from British Columbia that this agreement was ineffective and a demand was made for its abrogation. The government at that time agreed to accept an amended resolution reading as follows:

The government should take immediate action with a view to securing the effective restriction of future immigration of this type.

The words "effective restriction" were preferred by the government to the word "exclusion," and they assured us that that would very shortly lead up to what we desired, namely, exclusion. What has been done to give effective restriction to Japanese immigration? The gentleman's agreement is still in force. Has Japanese immigration decreased since the year 1922? Let us look at the reports in the Department of Immigration and Colonization. Those reports show that the number of Japanese who entered this country were as follows in the years given:

1923	369
1924	448
1925	501
1926	421
1927	475

These Japanese entered as immigrants and became residents of this country. The serious part of this influx during those years is that so many women have been permitted to enter. Of the 1,397 Japanese who entered Canada during the last three years, 724 were women and 250 children under 18 years of age. It is construed that because nothing was said in the agreement about Japanese women there was no bar to their entry, or in the words of a Japanese, it is a gentleman's agreement and does not apply to ladies. They say there is a woman for every Japanese man who wants one, and as a result the Japanese are breeding themselves into possession of a good share of the business of British Columbia.

The following details of the oriental occupation of British Columbia were assembled through official inquiries made by the bureau of provincial information, giving the situation accurately to the beginning of 1927:

(1) At the beginning of 1927 the oriental population of the province was at least 46,500, or 1 in 12 persons. (Taking the adult males only into consideration, there is one Asiatic male for every five men in British Columbia. —T.M.).

(2) The Japanese birth-rate was 40 per 1,000, as compared with a general birth-rate (except native Indians) of 18 per 1,000.

(3) The increase in the Japanese population through excess of births over deaths was greater, by more than two to one, than the immigration of people of that race.

(4) Arrivals of Japanese women have greatly outnumbered arrivals of men for several years; two women coming in for every man.

(5) Of oriental arrivals in Canada in the past 20 years, British Columbia got 80 per cent of the Chinese, over 98 per cent of the Japanese, and nearly 99 per cent of the Hindus.

(6) Orientals owned land and improved property in British Columbia to an aggregate value of $10,491,250, and lease property valued at $1,099,500.

(7) Over 11,300 orientals were employed in the industries of the province.

(8) In three years preceding 1927 the number of Japanese children in the public schools had increased by 74 per cent, while white children had increased by only 6 per cent.

(9) With development of production under glass, the oriental was more and more increasing his hold; in 1923 he had constituted 9 per cent of the growers with 28 per cent of glass area; in 1925, 13 per cent of the growers with 37 per cent of the glass area.

(10) The handling of produce and garden truck by pedlars or hucksters was almost entirely in the hands of Chinese, and the same applied to the sale of vegetables in stores, to the extent of 91 per cent in the city of Vancouver.

Speaking of Vancouver, I have a statement here from the city hall records, as of October 31, 1927, showing that the number of trade licenses issued to Chinese in that year was 756, and the number issued to Japanese 1,060.

The Prime Minister and others have laid great stress on the question of trade, and have pointed to the growth of the Pacific ports. All I have to say in that regard is that other countries have adopted exclusion measures, and it has not interfered with their trade with the countries affected. South Africa, New Zealand and Australia, sister dominions in this great empire, all have oriental exclusion laws, but still they trade with Japan and China. The United States has passed a Japanese exclusion law, and yet their trade with Japan increased enormously last year.

Another stumbling block appears to be Great Britain and her foreign relations. So far as British Columbia is concerned, I do not think anyone will doubt the loyalty of that province to the British crown, and we would not like to see anything take place that would disturb the friendly relations between Great Britain and Japan. We claim that it is not necessary to disturb these relations, and that such a thing would not happen. It has not happened with the other British dominions. As I said before, South Africa, New Zealand and Australia all have exclusion laws. Asiatics are not permitted to enter these countries as immigrants or to become citizens. Australia to-day boasts of being a white man's country. At the same time the people of Canada must realize that under the present arrangement there has grown up a great domestic and economic problem in this country. I would point out to the Prime Minister that we do not insist upon the word "exclusion", which he claims is so objectionable to Japan, being incorporated in the legislation. He may adopt the Natal act or any other act that he sees fit so long as it will give the result we desire, and that is the exclusion of Japanese as immigrants to this country. I feel that there should be no objection on the part of Japan if it was pointed out to them that some legislation of that kind was necessary, that it was impossible to assimilate their race with ours, that such an attempt would be fraught with great danger, and that it was in the best interests of both nations that immigration should cease. In other words, we must be able to say to them, without offence, that the time has come for effective exclusion of that class of people from our shores as residents.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, I think it is in order for me in rising to speak on the motion for an address in reply to the speech from the throne to congratulate the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address. It has been a great privilege for me in this my second session to study the members of this house, and I just wish to say that the hon. member for Hants-Kings (Mr. Ilsley) certainly lived up to expectations. That part of the country has produced eminent orators and statesmen, and he is a true Liberal of that great school. I also wish to extend my congratulations to the seconder of the address. His was a splendid speech. I have had the pleasure of reading it all the way through, and the hon. member did credit not only to his constituency but also to the great race that he has the honour to represent in this house.

I also want to congratulate the leader of the opposition (Mr. Bennett) and the Prime Minister of Canada (Mr. Mackenzie King). I know that my humble congratulations will not go very far, especially after the wonderful reception their addresses have received in the press throughout the whole of Canada. They have certainly lived up to the high expectations that were held of both of them, and they thoroughly deserve all the congratulations that have been showered on them from both sides.

I had the good fortune to-day to read some comments in Saturday Night on the speech from the throne, and I gathered from that reading that there was considerable information to be gathered and a lot of work to be done this session.

I wish to make just a brief allusion to the celebration of the diamond jubilee of confederation. It has been a wonderful thing to unite all the different groups living in Canada from the Atlantic to the Pacific. It has been a wonderful thing for the whole nation. Some splendid addresses were made, and we had distinguished visitors from Great Britain whose visits were appreciated by every section of this country. Several suggestions have been made as to the best way of commemorating this great national event. One came from the maritime provinces that we should construct a confederation highway. That would be something tangible to show to future generations that we really wanted to unite the whole of Canada and maintain the spirit of confederation. It would be a highly desirable thing to construct a highway from the Atlantic to the Pacific, binding together every section of this great country of ours.

I want to say just a word in regard to the St. Lawrence waterway. I believe that the government has taken the only practical stand under the present circumstances in giving this question, which is not only a national but an international question, very thorough study. While I am in full sympathy

with the needs and requirements of these two provinces, we have in Ontario, within our own borders, a wonderful waterway which eventually must be developed; I refer to the Georgian bay canal. It is really a national waterway within our own borders. As I said when I spoke in this house last year, the problems of southern Ontario are also the problems of northern Ontario, and vice versa, and I think in this discussion we should consider first of all the national waterway we have within our own borders.

Now I would like to say a word or two about immigration. I have heard hon. members opposite say that during the last ten years the population of Canada has not been increased. I am glad to say, as a representative of one of the most prosperous ridings in the whole of Canada, that the population in my riding and in northern Ontario generally has increased at least 300 per cent in the last ten years. If you look at the statistics you will find that in 1916 we had a population of only 30,000 people, while to-day we have over 100,000, and I believe the same principles should apply to the western provinces. We need immigration, but as the government has well said through the Prime Minister, we want to be in a position to assimilate the people we bring in. Let us not go too fast in these matters; let us try first of all to give them work.

I was greatly surprised two or three weeks ago to read in a newspaper the fact that a young British immigrant brought before a justice of the peace said he was surprised to find that there were six months of winter in Canada. We must tell the truth to the immigrants who leave their own shores and come to Canada. It has been my good fortune to speak to many British immigrants and they were absolutely unprepared for the winter conditions in this country. While we all know we have a beautiful winter I think everyone naturally prefers the summer, and we should see that the people we bring out are fully acquainted with these facts. Perhaps it would not make so much difference to those coming from the Scandinavian countries, where conditions are somewhat similar to ours, but I must say that some of the British people are being brought here under false representations. As you know, most of our immigrants arrive in the spring or early summer, and are greatly surprised at our winter climate. When the first snow comes they expect it to go away shortly as it does in England, but when they find it remaining for six months they are disillusioned and disappointed,: and this is one of the great reasons why so many immigrants leave Canada. We should tell them the truth before they come here. I do not say that we are handicapped by our climate, but of course it creates certain seasonal conditions. As we all know, the primary industry of Canada is farming, and the farmers do not employ as much help in the winter as they do during the summer months. That condition applies until the end of March or the first of April. For these reasons I repeat that it is not fair either to Canada or to the immigrants themselves to bring them out here under any misapprehension. We must tell them of the exact conditions which prevail here, and if they want to come over under those conditions, as I believe they will, I am sure they will make better Canadians.

There is another class of immigrants to whom I would like to refer. I speak now of those who come to Canada with the sole intention of sending out as much money as they possibly can. You would be surprised, if it were possible to get these statistics from the Post Office department, to learn the amount of money which is being sent from Canada back to Europe. Every dollar earned in Canada by this type of immigrant is a dead loss, because it is all sent out of the country. We should see that we get the class of immigrant who really intends to live here all the time.

Let me go a step further. I do not believe we shall need so many immigrants, and I am sure we will not lose our population to such a great extent, if the government will do something to see that young Canadians are offered some inducement to go on the farms and stay there. As you know, the bright lights of the cities, with their theatres, dance halls and so on, are wonderfully attractive even to the urban population, so it is no wonder that the young people are attracted from the country. If it were possible for the government to induce those young men and women to remain on the farms it would be a very splendid thing. Just in this connection I might mention something to which I have given a good deal of thought. In northern Ontario we have at least 20,000,000 acres of the best land in Canada to-day, and I believe it to be a fact that there are millions of acres of vacant lands in the western provinces as well. It should be easy, therefore, to retain our young manhood which we are now losing to the bigger towns and cities of this country and eventually to the larger centres of population to our south. Most of these young people would make good farmers and good citizens, but what are the actual conditions?

Within the last four weeks I was in the city of Toronto, and on my way to the theatre I was stopped at different times by five able bodied young men asking for a quarter with which to get a meal. It seems to me that if the federal and provincial governments could do something to settle these young Canadians on the land it would be the best possible way to provide employment. If we could induce a young man to take a farm in northern Ontario, perhaps the government might promise to give him twenty-five dollars for every acre of land that he clears, for a yearly maximum of 20 acres of land for every acre he cleared to a total value of $1,500, and some arrangement might be made whereby, if that young man remained on the farm for ten years, the money would be refunded to him and he would have his land free. If something of that sort could be worked out it would help a great deal in keeping our people here.

We were told this afternoon that we are importing a large percentage of our vegetables and fruits, and surely it is no wonder, because I believe our cities are over-populated. I was in Montreal some time ago and was told by some people there that if they lost their positions around the beginning of December they would be unable to get other work until spring. In northern Ontario, however, we have seasonable employment. When the farmers are through with their work in the summer they can work for the big companies in the woods or in the mines, and in that way find employment twelve months of the year. Again I say I believe the government are following a wise policy in trying first to assimilate the immigrants we have already brought in, and in not bringing more people here by the thousands without finding employment for them for the whole year.

Then I would like to say a word in connection with the reduction of the national debt. I am absolutely in favour of certain measures by which we may expect to reduce our debt slowly and surely, but I believe the time has arrived when this government should spend money on public buildings all over Canada. We know that in the past the governments have been following a very wise policy in only spending what was absolutely necessary, but I believe we should now begin to spend money in this way where it is needed.

An hon. MEMBER: Hear, hear.

Mr. BRADETTE: I can tell my hon. friend opposite, to ease his mind, that I do not want to make a run on the treasury myself. I am thinking at the moment of the city of Toronto, where they need a big customs house. I think that is something they should get, and I have no doubt they will get it in time. There are of course a good many other localities besides Toronto and Montreal in which public money should be spent, because I know in certain sections of the country they are very badly in need of post offices and other public buildings. I do not suggest that this money should be spent on public buildings alone, however, and I will give you an instance of another way in which some of this money could be profitably spent. In the town of Kapuskasing, within the limits of my own constituency, we have the best experimental farm in the whole of Canada, but within the last year I have had several reports from the settlers of that district to the effect that some of the horses belonging to that experimental farm were being hired out in order to make both ends meet. There is a case in which I believe some money could be spent to great advantage, because it is not fair for the settlers of that district to have to compete with government agencies in that way. I have suggested to the Minister of Agriculture (Mr. Motherwell) that sufficient money be given that experimental farm to permit them to meet their own expenses, and relieve the settlers in that neighbourhood from this unfair competition.

We cannot always go by what we see in the newspapers; sometimes they contain the whole truth and nothing but the truth, but at other times they contain very queer things, and I would not like it to be understood that I am suggesting a run on the treasury. I do not intend to make any such raid unless conditions absolutely warrant it, but in this case I believe we could spend at least $10,000 more with very good results.

One of the other things with which I would like to deal while I am on my feet is the very momentous question of the taxation of railway properties. People in the town of Cochrane, and when I say that I include the whole district of northern Quebec and northern Ontario practically from Quebec city to the Manitoba border, have been agitating for the last ten years at least that the property of the Canadian National Railways, or at all events a section of the old National Transcontinental line, should be taxed. We had several promises made by different ministers of federal governments of both parties, but with no result, and I am putting this before the house not in any political sense but because I believe it to be a national matter. In order that this cause might be furthered, before the house opened I gave notice of the following motion:

Taxation of Canadian National Railway property, on that portion of the railway system primarily known as the National Transcontinental, and extending from Quebec city to Winnipeg, for municipal and school purposes, in all localities, along these sections of the railway municipally organized—

Whereas, government ownership of the Canadian National railway system has created a burdensome situation in a number of municipalities through having a large portion of otherwise assessable property placed on the exempt list; and

Whereas, in many cases the loss of municipal taxes from such exempt property is out of proportion and creates a very serious loss of revenue absolutely needed for the proper administration of municipal affairs; and

Whereas, the prerogative of the crown, of having crown property exempt from taxation, was established prior to the crown ever expecting to or undertaking to take up competitive business in full competition with private corporations which are subject to municipal taxation; and

Whereas, it would appear that justice and equity would preclude the crown from taking advantage over private corporations in the discharge of corporate business; and

Whereas, the National Transcontineutal was built by the Dominion government for the Grand Trunk Pacific railway on the understanding that it would be handed over to this latter railway on completion and under a lease, as an integral part of the Grand Trunk Pacific system; and

Whereas, the principle of taxation of railway property on the Canadian National railway has been maintained and in some cases established, in most sections of the present corporation, namely; over the portions of the system originally called the Grand Trunk railway, the Grand Trunk Pacific, the Canadian Northern and the Intercolonial;

Therefore be it resolved: That this house urges the waiving of the prerogative of the crown of exempting any such railway property from municipal and school taxation, on that section of the Canadian National railway system originally known as the National Transcontinental railway, from Quebec city to Winnipeg, for all organized municipalities along that part of the Canadian National railway system, which is occupied and used solely for the administration and maintenance of that portion of the aforesaid railway system.

A few days afterwards I received the following letter from the Clerk of the House of Commons:

January 19th, 1928.

Dear Mr. BRADETTE,

The notice of motion which you sent in for the order paper does not seem to be in order, as resolutions to increase a charge upon the people must be introduced by the government with the recommendation of the Governor General.

You are asking by this motion that the house urge the waiving of the prerogative of the crown of exempting the Canadian National Railways from the municipal taxation in a certain part of the country. If you secure an affirmative vote, the government will be bound to renounce these taxes. In other words you are asking for a decision of the house on a charge upon the people without following the ordinary practice. I took the matter up with Mr. Speaker this morning and he entirely agrees with me. I regret therefore my inability to give notice of this motion when the session opens.

As I said before, this is a very important matter for northern Ontario. I have no quarrel whatever with public ownership. I am well aware of the fact that public ownership is doing wonderful work in the province of Ontario; it has certainly accomplished striking results from an industrial and commercial point of view in the southern portion of the province. I doubt, however, if we should have the prosperity we enjoy to-day in northern Ontario if we had had to depend upon that policy. To private ownership and the investment of private capital we owe much of the development in the northern parts of the province. In presenting the case as I do for the town of Cochrane I am speaking for the whole of northern Ontario and northern Quebec. In that sparsely populated northern country the municipalities need all the taxation they can get, and the amount involved here will run to from $75,000 to $100,000 a year.

I am going to read a memorial which was drawn up by the town of Cochrane, discussing the merits of the case. Other municipalities have concurred in this representation, and although it is somewhat lengthy I deem it better to place it before the house so that all hon. members may be apprised of the fact. The communication in question reads as follows:

The municipal council of the town of Cochrane, in conjunction with other municipal bodies in northern Ontario and northern Quebec, has the honour to place before the honourable the Minister of Railways and Canals, the great injustice suffered by the towns and villages in these localities through the differentiation in respect to taxation for municipal purposes of the Canadian National railways, and to respectfully submit the following facts in connextion therewith:—

(1) The National Transcontinental line was built by the Dominion government for the Grand Trunk Pacific Railway on the understanding that it would be handed over to this latter railway on completion and under a lease, as an integral part of the Grand Trunk Pacific system.

(2) The National Transcontinental line, to all intent and purpose, was completed at the close of the year of 1913 but the failure of the Grand Trunk Pacific Railway to fulfil their undertaking left the National Transcontinental line at the mercy of an indifferent operation of portions of the road, by contractors, thereby greatly retarding the development around here, until in July 1915 it was consolidated with the Intercolonial railway into the Canadian Government railways and has been in operation ever since.

(3) A large section of the National Transcontinental line has been built through virgin lands

of northern Ontario and northern Quebec and must be considered, in every sense of the word, purely a colonization road and the townsites along this section have been laid out on picked out level stretches of either muskeg or swampy bush land which required an enormous amount of groundwork in the clearing, in order to permit even the most rudimentary town planning.

(4) The building of this colonization portion of the National Transcontinental line can therefore in no way be considered a boon to the towns along its right of way as all these towns had to come subsequent to the building of the railway and they have since done their full share in the colonization and development of the territory within their sphere of influence, in even a larger proportion than the railway itself has done for northern Ontario and northern Quebec.

(5) The demand for educational and sanitary measures alone, in the building up of the towns to the present time, has been out of all proportion to the ability of ratepayers of these towns, to meet, since the largest property holders, the railways, are exempt from municipal taxation.

(6) Conditions as they exist to-day in Cochrane are to be found in a more or less like measure along the entire colonization section of the National Transcontinental line between La Tuque, Quebec, and the Manitoba boundary.

(7) In addition, the town of Cochrane, in common with other towns and villages along the National Transcontinental line in northern Ontario and northern Quebec, has suffered repeated devastation and the town of Cochrane especially, suffered on two occasions almost complete destruction by fire which struck the town from surrounding bush lands and for which no blame can be attached for lack of prevention.

(8) Again, owing to the inability of collecting adequate taxes, by reason of exemption of railway property, the town of Cochrane suffered severely through the scourge of epidemics, brought about through lack of funds to complete necessary sanitary improvements, with the consequence that the ratepayers have been greatly impoverished besides causing intense suffering through loss by death of a large number of citizens.

(9) In the year 1919 the town of Cochrane petitioned the Dominion government and parliament for relief through permitting assessment of railway property within the municipality and a promise was made that pending legislation of the session of 1919 would make special intervention by the government unnecessary, as through the creation of the Canadian National Railway Company, this company would be given a lease of the Canadian Government railways and would take the status of any ordinary corporation.

(10) Statements made in the House of Commons at that time by the leader of the government, as appearing in Hansard of that session, clearly indicate the intention of the government to fulfil promises made to the town of Cochrane, but there is nothing in the final bill enacting the Canadian National Railways Company to supplement such statements.

(11) The colonization section of the National Transcontinental line is the only railway built in Canada through virgin lands in the last forty years which has never assisted in the building and subsequent progress and development of towns and villages along its course, by assuming their just share of taxes to such municipalities, and yet the proper operation of a railway, and the subsequent success from such, preconceives that towns be built and conveniences be furnished to further the welfare and provide suitable living conditions for the employees of such railway.

(12) There is no place in Canada which presents a more incongruous situation than that which exists in northern Ontario and northern Quebec with respect to exemption of railway property from municipal taxation and no comparison can be made with other sections of the Canadian Government railways where the advent of the railways came subsequent to the existence of towns and villages, thereby benefitting such towns and villages in a large measure. Any assistance, therefore, which may be granted to the town of Cochrane and other municipalities along the colonization section of the National Transcontinental line, can in no way be considered a precedent, to be followed in respect to other places.

At a meeting of representatives of municipal bodies from along the colonization section of the National Transcontinental line between La Tuque and the Manitoba boundary, at which delegates were present from Cochrane, Sioux Lookout, Redditt, Kapuskasing, Hunta and Moonbeam in Ontario and Privat in Quebec, the following representation was fully concurred in.

Therefore, having in mind the unwillingness of the Dominion government to open up the general question of taxation of Canadian government railway property, the undersigned municipal corporations urgently request the honourable, the Minister of Railways and Canals to favourably consider the justice of making an annual compassionate grant, in lieu of taxes, to the municipal bodies affected and to have the necessary appropriation for the current year included in the supplementary estimates to come before the House of Commons during the present session, on the basis of the average annual loss of taxes had the railway property been subject to taxation.

The loss from taxation suffered by the town of Cochrane, based on a property assessment of the National Transcontinental line within the municipality, as appearing on the Cochrane assessment roll, of approximately $300,000 since 1915, when the line became operative, would at an average tax rate of 40 mills represent a sum of $12,000 annually, or for the whole period until the end of the year 1923 a total of $108,000.

The loss from taxation suffered by the town of Sioux Lookout, based on a property assessment of the National Transcontinental line within the municipality, as appearing on the Sioux Lookout assessment roll, of approximately $448,900 since 1915, would at an average tax rate of 40 mills represent a sum of $17,950 annually or for the whole period until the end of 1923 of the year 1923 a total of $161,550.

The loss from taxation suffered by the town of Kapuskasing, based on an assessment of $20,000 since 1921, the inception of the town, would at an average tax rate of 42 mills amount to $840 annually or a total since 1921 of $2,520.

The loss from taxation suffered by the public school section No. 2, Clute and Calder, at

Hunta, based on an assessment of $3,000 would at an average rate of 22 mills amount to $66 annually or a total since 1921 of $198.

All of which is most respectfully submitted.

We sent several delegates to interview the government of the day, and although we were all given a warm welcome and a sympathetic reception, no headway was made in the direction of the desired legislation. I have here several letters that I have received either from members of the government or from one or other of the two political parties dealing with this matter.

Here is a letter signed by Senator G. D. Robertson, and written under date of February 14, 1923:

Dear Sir:

This will acknowledge receipt of your letter of the 8th inst. together with printed circular enclosed referring to the desirability of the Canadian National Railways being assessed for municipal and school purposes.

At Cochrane and other points along the Transcontinental where the railway property represents a large portion of the improved property in the municipality, I readily appreciate the propriety of the railway bearing some of the cost of municipal taxation, especially for schools, as most of the children attending such schools are children of employees of the railway company and such employees ought not to be taxed for school purposes more heavily than are similar employees in other municipalities where the proportion of taxation is more widely distributed. This question was discussed some two years ago by the late government, being brought to its attention by the undersigned after my return from Winnipeg in August 1920 via the Transcontinental railway, when this question was brought to my attention, but it was not deemed advisable to take action at that time, or until the whole of the government-owned lines were merged into one system. Now that this is being done and the Grand Trunk and Canadian Northern portions of the Canadian National system do pay taxes, there would seem to be no good reason why some reasonable rate of taxation should not also be imposed upon the portions of the national system formerly known as the Canadian Government Railways.

I shall be glad to lend such aid as I may be able to bring some relief to your municipality, and others similarly situated, but feel that the movement should be initiated in the House of Commons, as the jurisdiction of the Senate, of which I am a member, respecting the introduction of money bills might be questioned.

This is a letter dated February 23, 1923, from Mr. William Irvine, M.P.:

I have received your communication, also resolution passed by the municipality of Cochrane, regarding the taxation of Canadian railway property within the boundaries of your municipality. I certainly am in favour of the taxation which you demand, and if the matter is brought before parliament, it will certainly receive my support.

I have on file at least a hundred letters from ministers, premiers of the day and members of parliament, and although many of these letters were absolutely non-committal, some of them were sympathetic. From these letters I gathered the impression that this matter was going to be brought before the house. I had the good fortune on one occasion of listening to the late Hon. Frank Cochrane, then representing a portion of the riding which I have the honour to represent to-day. He was at that time Minister of Railways and, speaking at Cochrane, my home town, he said that government railway property should be taxable; that it was an injustice, especially in connection with that section of the Transcontinental, that it should not be taxed. Do hon. members realize that to-day, as has been stated in those petitions, the Canadian National railway system is actually paying taxes on most sections of the road, and that in 1925, if I am correct, special grants were given to the provinces of New Brunswick and Nova Scotia, to the amount of $230,000 a year, as compassionate grants in lieu of taxes? As I said at the outset, we do not want straight taxation, but I believe we are entitled to a compassionate grant.

In the same year, 1925, an amount of $75,000 was offered to the province of Ontario, but for some reason, unknown to us and known only to Premier Ferguson, that offer was turned down. As I said at the beginning I believe the taxation on the whole system from Cochrane to Winnipeg will amount to $100,000, and I do not see why the Premier of Ontario refused that grant, which was and still is absolutely necessary. If the government is willing and ready to-day to extend that grant, it should be distributed through the provincial government or the railway municipal board to the municipalities. I remember on one occasion when a delegation was waiting upon the Hon. Mr. Ferguson, asking him for taxation on the Temiskaming and Northern Ontario railway, which is a provincially owned railway, the answer he gave us was in this sense: The moment we receive taxation from the Canadian National, the Temiskaming and Northern Ontario and the provincial government will do their share. In my home town the total assessment of those railways is at least a million dollars, so that if we were to receive a compassionate grant it should amount to at least $10,000 a year. I know the Canadian Pacific has a special department, with officials visiting all sections on which they are paying taxes. As hon. members are aware they are paying taxes on practically their whole

system, but we would be satisfied with a compassionate grant instead of a straight assessment. Perhaps many people are not aware of certain facts. This is a clipping from the Northland Post, a Northern Ontario newspaper:

An enquiry from Ottawa regarding the conditions of British government property in London brings the information that the Imperial government pays practically on government property in London the local tax rates. The thing is done in the frequent British way of meeting a troublesome situation by doing what ought to be done, but specifying that no legal obligation is admitted. The Imperial government declines to acknowledge any liability for taxes but appoints an officer to report what is fair. The officer reports that it would be fair for the government to pay a certin amount to the local authorities —and it turns out that this certan amount is equal to what would be the taxes if the property were taxed.

As I say, we would be quite satisfied in Northern Ontario to receive such a grant. We do not want a straight assessment. Perhaps in the discussion some legal point might be brought up which it would be hard for us to overcome. After approaching the Canadian National Railways on many occasions we wrote a letter to their attorney and this is the reply, dated May 14, 1923:

I have your letter of the 9th inst. You ask whether the act incorporating the Canadian National Railway Company gives the directors wide powers in respect of taxation. In reply I beg to advise that it does not. The only powers that are given to us in respect of the Canadian Government Railways, under the entrusting order in council, are to manage and operate the property, that is, we practically have the powers of a general manager. Now the exemption from taxation relating to crown property held by his majesty in the right of the Dominion is found, as you know, in the British North America Act. As general manager we have no authority to disregard the terms of the British North America Act. It would be just as reasonable, or even more reasonable, to expect the Postmaster General to pay taxes on post office property and to waive the crown right for exemption as it would be for us to attempt to do so in respect of crown railway property in the town of Cochrane.

It seems to me that the only remedy can be by act of parliament, or by some act of the Dominion government directing us, notwithstanding the exemption, to pay taxes. This direction could not be limited to the town of Cochrane, it would have to extend equally to every municipality through which the government railways run, or wherever they own property, and the question therefore is a very large one. Furthermore, if the crown in respect of railway properties pays taxes, the same condition, though with less force, could be made by any other municipality where Dominion property is situated, in respect of post offices, military property, canal property, immigration property, and all other property held on behalf of the crown. You cannot, it seems to me, admit liability in one case and deny it in another. You would have to treat all municipalities fairly and on an equal basis.

It can readily be admitted that the town of Cochrane is situated disadvantageously in respect of its taxable area, since a great deal of property is held for railway purposes either by Dominion railways or provincial railways. Both are equally exempt under the same act. On the other hand, it must be admitted that the town owes its very existence to the two railways in question.

If the matter came before our directors I would be obliged to advise them, from a legal point of view, that they had no power in themselves to waive the exemption provided by the British North America Act, as the question is purely one for the Dominion and provincial governments to consider and to remedy as they see fit. The only feasible remedy that I can see would be by a special appropriation made by parliament to the town in lieu of taxes, but whether the government or parliament would be content to recommend or pass such an appropriation is very questionable, in view of the discrimination they would thereby be making in favour of your municipality as against all others.

Those are some of the objections against such taxation. On one occasion I met Mr. Ruel personally and he made the same argument, that the British North America Act should be amended so that the government railways could pay taxes. Everyone is aware, without being a legal light, that when the British North America Act was drafted in 1867 there was no thought that the government would go into the railway business; that railways would be under public ownership. It was well known that the Canadian Pacific was under construction and no one dreamed that the government of the day or any future government would go into the railway busniess. But I believe in view of the manner in which the Canadian National Railways are being administered the system if not legally, at least is morally bound to pay taxes.

At the time of the amalgamation of the railway systems now forming the Canadian National Railways the Right Hon. Arthur Meighen, during the discussion in committee of the bill to effect the amalgamation, said, as reported in Hansard at page 1697:

It makes the new corporation liable at law and vests in the new corporation the rights at law of a corporation rather than putting it in the position of the crown. . . It can act as a corporation not subject to the restrictions or to the enjoyment of the privileges of the crown.

And again at page 1698 we find him saying:

Upon amalgamation the company will own the direct physical assets.

Further at page 1703 we find him proceeding:

Does not this bill mean that we are attempting to set up a system of corporate management divorced from direct government interference or control of this great railway system—corporate as distinguished from departmental management? . . . It seems to me to be a very real company. We want to make it a real company, but it will be a very unreal company if one-half is to be departmental and the other half corporate. I do think that while it is true that this is in reality a government enterprise, it is equally true that we are trying to operate it as a business concern under corporate management.

To live up to the spirit of these words, as the system to-day is being administered absolutely independent of the government—for I believe every member on both sides of the house will recognize that politics do not enter into the management—the whole system should be liable to taxation.

At page 1699 of Hansard I find the following pertinent statements of Sir Thomas White, at the time Minister of Finance and acting leader of the house:

This railway company of which the government is the virtual proprietor, notwithstanding the corporate form in which its assets are held, is not a department of the government in the same sense that the Railway or Customs or Inland Revenue is a department of the government.

That is a complete answer to the letter of Mr. Ruel, the counsel of the system regarding the ownership of the Canadian National Railways. Sir Thomas continued:

As I pointed out last evening when I spoke upon this matter, there are two ways in which the Dominion government could administer this great railway system which has now come into our hands and such other systems as may be acquired in the future. One way would be to attempt to administer them as the Intercolonial railway was administered, by the Railway department of the government, which, as the committee knows, is under the direct control of the Minister of Railways. The other way, both for practicability of administration and for divesting the government as far as possible of control in order that no question of political patronage may enter, is to administer them through the medium of a joint stock company or companies. Take the situation as it exists to-day. The various departments of the government, including the Railway department in respect of the Canadian Government Railway, make their estimates, and all expenditures are audited by the Auditor General, as my hon. friend has indicated. But in connection with the Canadian Northern Railway Company, whose stock is held by the government—just as the stock of this company which we are now creating will be held for the government—the administration being under a corporation is carried out as corporations carry out their enterprises. The corporation, as such, receives all revenue, and all expenditures are made under the authority of the board of directors.

It will be seen that it was said by the government of the day that the Canadian National railway system was going to be run as a private corporation absolutely independent of the government. From that a layman would gather that the corporation would be liable to taxation just like any other private corporation. Another thing: to-day the Canadian National railway system is paying taxation to the tune of millions of dollars. Apparently what is meat in one case is fish in another, and northern Ontario seems to be out of luck because of the fact that at the time of the construction of the National Transcontinental line the Grand Trunk Pacific did not want to undertake work of construction from Quebec to Winnipeg and through some unforeseen development the line was not taken over by that company. But I see no reason why we should be penalized on that account. It is absolutely unfair, and, I repeat, that morally, if not legally, the section of the population affected should be given compensation by way of taxation.

In the course of the evidence given by Mr. A. J. Mitchell, vice-president in charge of finance of the Canadian National Railways, when he appeared before the parliamentary committee on national railways and shipping, he stated that municipal and provincial taxes and taxes on lands in 1920 on the national lines amounted to $1,371,853.41. But northern Ontario did not get a cent of that money, other sections of the country benefited, and even the provinces of Alberta and Saskatchewan, although they may not be getting direct taxation, are taxing the revenue of the system. Here is another typical case which I quote:

A report from Toronto states that the Canadian National Railways lost the appeal in the divisional court respecting the business assessment on the Toronto suburban ticket office, executive offices and express sheds. The court of revision held that the assessments were not validly made. Judge Denton restored the assessment, and the Ontario Railway and Municipal Board affirmed his order. Now the appellate court sustains the board's ruling.

My time is almost up, Mr. Speaker, I have made this appeal as strongly as I know how, but I fear through lack of experience I have not made it nearly as convincing as I should like it to be.

Mr. DEPUTY SPEAKER: Order. The hon. gentleman is exceeding his time.

On motion of Mr. Sanderson the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 9.20 p.m.

Monday, February 6, 1928

The house met at three o'clock.

BRITISH COLUMBIA LANDS

INTERIM REPORT TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the table a copy of the interim report of Mr. Justice Martin, appointed a commissioner to receive and inquire into the arguments of the government of the province of British Columbia in support of its claim for reconveyance to the province by the government of Canada of the land conveyed by the province to the Dominion following paragraph 2 of the terms of union.

DEPARTMENT OF NATIONAL REVENUE

CUSTOMS INQUIRY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I also beg to lay on the table, Mr. Speaker, a copy of the minutes of the conference at Washington between the customs commission and officers of the United States government on August 29 and 30, 1927. It is part of the proceedings of the Royal Commission on Customs and Excise.

PEACE RIVER—SETTLERS' RAILWAY RATES

On the orders of the day:

Mr. J. A. CLARK (Vancouver-Burrard): Mr. Speaker, I should like to draw the attention of the government to the contents of a letter I have just received from the citizens of Vancouver:

Dear Sir,—

We are desirous of going into the Peace River district in the early spring and find upon making enquiries that there is no settlers' rate from here, but at Blaine an American citizen can secure a settlers' rate. There is no reduction on settlers' effects from here but there is from the American side.

We understand the Canadian government will bring a European in here for about $15, and to go from here costs us each $45 via C.N.R.

I know of at least one dozen good fellows who would go out there and would make good but all feel the big drawback it is to be a Canadian. The European and American has us backed off our own map.

Mr. SPEAKER: Order. For the information of the hon. member and others who put questions on the orders of the day, I would remind them that it is against the rules of the house to read letters or telegrams. Questions may be based on information so received, but no such communications must be read.

[Mr. Bradette.]

Mr. CLARK: Your Honour, I will put it this way, that I have received a communication from British Columbia which indicates that the foreigner may and does receive special rates over our railways to our vacant lands, that the foreigner is given special consideration in settling our lands as against Canadians. I do not think I could put it in better language than it is put in this letter.

Mr. SPEAKER: Order. The hon. member is too well aware of the rules of the house for me to remind him that he must plainly put his question. This is not the time for argument.

Mr. CLARK: Mr. Speaker, I must base my question upon facts, and the facts are fully stated in the letter. May I put my question in the form in which I have received it: Let us know what our Canadian government has to say about this condition, what they are prepared to do for our own Canadians?

Mr. MACKENZIE KING: I would suggest, Mr. Speaker, that the question of my hon. friend stand on the order paper for answer.

SEVEN SISTERS FALLS

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, may I inquire if the Minister of the Interior (Mr. Stewart) has received any request from the province of Manitoba for the power site known as Seven Sisters falls? If so, is it the intention of the government to hand over to the provincial government that portion of the natural resources of the province?

Hon. CHARLES A. STEWART (Minister of the Interior): The Minister of the Interior cannot hand over at will the resources of any province. I may say that correspondence has passed between the Premier of Manitoba and myself with respect to Seven Sisters falls, and he has been kept fully informed of every move made.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Do I understand from the Minister of the Interior that no disposition of the Seven Sisters falls will be made without the consent of the provincial government?

Mr. STEWART (Edmonton): I should not like to say that any disposition would not be made without the consent of the provincial government, but it certainly will not be made without their being fully informed of every detail.

Mr. HEAPS: That is very unsatisfactory

PRIVILEGE—SIR GEORGE PERLEY

Sir GEORGE H. PERLEY (Argenteuil): Mr. Speaker, I rise to a question of privilege. In reading over the speech made by my hon. friend from East Calgary (Mr. Adshead) last Thursday evening I find that he got a mistaken impression regarding something I said that same afternoon. The hon. member is reported as follows:

I gathered from the hon. gentleman this afternoon that in his opinion a sort of imperial parliament should meet in London.

Now, Mr. Speaker, I doubt very much whether in these days anyone would suggest that an imperial parliament or a body to legislate for the empire should be formed, and certainly I would not. The suggestion I tried to make was that a plan might be found for administering the Foreign Office for the whole British commonwealth, formed on some such lines as the Imperial conference, and with representatives of each one of the self-governing parts of the empire on it. But I would say that such a committee could not and would not have any legislative functions whatever.

AUSTRALIAN BUTTER—DUMPING CLAUSE

On the orders of the day:

Mr. G. T. MacNUTT (Colchester): Mr. Speaker, I should like to ask the hon. Minister of Agriculture (Mr. Motherwell) if the dumping clause is now applied on butter importations from Australia and New Zealand that are sent here under the Paterson bonus scheme.

Hon. W. D. EULER (Minister of National Revenue): I might answer the hon. gentleman's question. No dumping clause has been applied on butter for some time.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Friday, February 3, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. ROBERT FORKE (Minister of Immigration): Mr. Speaker, I wish to add my congratulations to those which have already been extended to the mover and seconder of the address and to compliment them upon the admirable manner in which they performed their duty.

I was very pleased to read the speech from the throne, for I can endorse the statements made about the prosperity of Canada at the present time. I regret, however, that, speaking for my own province of Manitoba, last year conditions were not so satisfactory as they might have been. We were promised a very fine crop almost up to the time of harvest, but then rust attacked the crop and reduced materially both the yield and the grade. So that from the point of view of grain-raising it was not a great year for Manitoba. But I am pleased to be able to point out to the house that my province has to some extent ceased to be an exclusively grain-growing province. Mixed farming is largely carried on to-day, and through the sale of farm products, other than grain, our farmers there will not be in as difficult a position as they might have found themselves had they been relying entirely on grain-growing. I look upon this as a step in the right direction, for I think it will lead to the consolidation and prosperity of the whole farming community if more closely followed in the days that are to come.

During the short time I shall occupy the attention of the house I intend to take up the question with which I am more immediately concerned, namely, immigration. This has been a subject of considerable criticism during the last few months and in the press as well as in public speeches made by prominent individuals almost everywhere in the Dominion the matter has been discussed. There does not seem to be any unanimity in the ideas that have been expressed. You will find contradictory statements on the subject. It is said sometimes that the Department of Immigration is doing nothing, that no immigrants are coming in, and the suggestion is made that the door should be left wide open to allow all and sundry to enter Canada. Again, we find people complaining of the regulations as being too restrictive; the statement is made that the department is more restrictive than anything else in its operations. It is not very easy to form any opinion or to come to any conclusion regarding the criticisms which one reads and hears. One must simply come to one's best judgment by following closely the trend of events.

I came to this country a great many years ago as an immigrant, going west and taking part in public activities there in so far as they had to do with the opening up of a new country. We had a large inflow of immigration into western Canada and when I came to the department I fancied I knew a good deal about immigration and that perhaps I should be able to do some useful work in that direction. I have found, however, with larger experience and after coming more

closely into contact with the work as it is actually carried on, that there are a great many angles from which this question is to be viewed. I discovered that I had a good many things to learn before I should know everything regarding immigration into this new land of ours. I found no unanimous opinion anywhere. I am free to tell the house that scarcely a day passes that I do not receive letters blaming the department for not opening the door wide enough, while on the other hand I receive letters of complaint regarding the unemployment of Canadians although foreigners come in to take the place of our own natives. This is about the situation as it exists to-day so far as criticism is concerned.

I listened with a great deal of attention and, I may add, much pleasure to the speech delivered by the leader of the opposition (Mr. Bennett). The hon. member for West Calgary suggested that nothing was being done, that immigration was dwindling, notwithstanding the fact that we had the facilities for taking care of a population of 17,000,000. He said that there were 10,000,000 acres of arable land within twenty miles of railway communication. In the main these statements may be true, but I am pretty sure that when the hon. member makes the statement that there are 10,000,000 acres of arable land within twenty miles of a railway he knows that these lands are all occupied by or are in the possession of private individuals or public corporations and that it requires money to purchase such land. So that settlers coming into the country without the means of purchasing stock and implements and making necessary payments on their land are in no position to take advantage of what is offered in the way of vacant lands. This is perhaps one of the great difficulties we have to face in connection with the whole question of immigration. It is not impossible to-day to secure any number of immigrants; people in every country on the face of the globe are looking with longing eyes towards this Dominion. If the doors were wide open and it were made possible for all and sundry to come in we should have no difficulty in securing immigrants. But of what advantage would it be to have innumerable immigrants landing on our shores without the means of setting up for themselves on the land? Our own labourers would also object strenuously to any such immigration policy. I have read the speeches of prominent citizens, bank presidents and others, in which advice is given on the question of immigration, and the leader of the opposition the other day suggested that the question should be taken hold of and dealt with in a comprehensive way: vast sums of money ought to be spent. I have also heard that sort of statement made by bank presidents. I have never yet heard, however, any suggestion as to the manner in which the government should set about it and I have no authority from the government, nor do I think anyone else has at the present time, to spend vast sums in settling immigrants in this Dominion.

The activities of the department have been directed towards increasing the flow of people who are able to settle on the land and engage in agriculture. I was astonished the other day to read a statement attributed to Sir Charles Gordon in an address he delivered at the annual luncheon of the Canadian Pulp and Paper Association at Quebec. The report reads:

> Spending thousands of dollars annually to assist immigration was a policy opposed by Sir Charles.
>
> "Provide plenty of diversified employment here and you need not spend a single dollar to assist immigration", he said.
>
> "It is impossible and nonsensical for us to think that an immigration policy for putting people on the land is going to be a successful policy for this country", he said. "It cannot be done."

If that is so, the activities of the department are in large part wasted, because it is one of our endeavours to secure people who will come into the Dominion and cultivate the soil and help to develop our natural resources. I may refer to the steady flow of rural people towards the cities. This is not peculiar to Canada; it is a movement that is taking place throughout the world. And it is a problem with which it is quite difficult to cope. It is no satisfaction to me, and I am sure it is no satisfaction to anybody else, to see a foreign family coming in and taking the place of a good Canadian family who are obliged to move to the city; and this has taken place in numerous instances. Just how is this tendency to be stopped? It seems to me that it is a matter of remuneration. Love of country life is a sentiment that seems to be non-existent. Ownership of land does not appeal to the people of Canada as it does to the people of the old country; it does not appeal to our own native citizens as it does to the foreigner. I have heard of one foreigner who came to Canada and who, after taking up his 160 acres, went down on his knees in his farm and kissed the soil. Love of the soil is apparently entirely absent from the economic condition of our country to-day. And yet no country has ever been great, no country has endured whose roots were not firmly planted in the

soil. This is one of the great problems we have before us in Canada to-day—how to make our rural people contented.

I do not think I should ever have been in the House of Commons had it not been for my desire to do something to help the rural population and to make this country something more worth seeking than it has been. Most people agree to-day that an increased population would be beneficial. Canada is a land of vast distances and of great undeveloped resources, only needing capital and population. We have railways enough. I agree with the leader of the opposition that we have sufficient railway accommodation to take care of a population of 17,000,000. And we have a great deal of vacant land. We have also schools, churches, roads, bridges and various other conveniences which I am sure could be utilized by a much larger population than we have to-day. At the same time we are up against the problem I have referred to. We sometimes hear of manless land and landless man. I would say, bring the man to the land and it will solve the problem. That is not the big problem. There are much more difficult problems to be solved. It has often been said that a satisfied immigrant is the best immigration agent. I am sure I have often called the attention of the house to the fact that in order to make immigration a success one of the first and most necessary things is to see that the people we have are satisfied and that the people who come will be satisfied. The leader of the opposition says that the department is doing nothing. I might at least indicate the lines we are following. The Trades and Labour Council delegation appeared before the Prime Minister and members of the government to present their finding at the annual convention. The memorandum was prefaced by a quotation from a speech of my own, and I felt honoured when I found the labour men coming to the government with a quotation from a speech which I had made. With the permission of the house I will read the quotation:

> The reasons against a wide-open policy allowing the entry of all races and classes are convincing. Mere numbers of themselves would contribute nothing to Canada's prosperity. Idle men without means are never an economic asset, and may, on the contrary, become a very heavy drag upon the producing part of the population. It is essential that immigrants coming to this country, come not only to Canada but to employment. It is equally essential that in finding employment for themselves they do not displace others.

I made that speech in Toronto and it was reported in the Toronto Globe. I will quote a few lines from the statement of policy I made in another place. I said:

> 1. To recognize that while Canada requires increased population, quality rather than quantity is of first importance—in other words, that our immigrants must be selected with a view to their mental, physical, moral, industrial and racial fitness for settlement in Canada.
>
> 2. That limitation of numbers must be determined by the available supply of suitable classes and Canada's power of absorption.
>
> 3. That British immigration must always hold first place in importance and every legitimate effort used to increase the flow of people from the mother country.
>
> 4. Next after British immigration encouragement should be offered to a movement of settlers from the United States and from northwestern Europe—of those healthy, hardy people desirous of establishing themselves on land in Canada and becoming absorbed in our national life.

That, broadly, is the policy of the Department of Immigration. There is no wide, all-embracing and vast expenditure of money mentioned in any of those statements. I do not think the time has yet come for any such movement. I wish I had time to say a few words in regard to the visit I had the opportunity of making during the past summer to the Scandinavian countries, especially Norway, Sweden and Denmark. I had the privilege of meeting members of the government in all three of those countries, I received the most cordial reception and I found that they were very much interested in Canada; I also found no difficulty in conversing with them, as all were able to speak good English, and could even understand English when spoken with a Scotch accent. They were all interested in Canada. Most of them understood that we were not anxious for a large immigration from the large cities of Europe. I remember the minister in Sweden saying "We have lots of people in our large cities, but I know you are not looking for them." He also said they had quite a large surplus of rural population, and added, "If they do not emigrate they will go to the cities, and we would rather see them emigrate than make trouble in our larger cities on account of unemployment".

I found the same condition in Copenhagen. They had there the problem of people crowding to the cities, with resultant unemployment. They also had a large surplus in the rural population, young men growing up on the small farm, who had to move out and must find a home some other place—either go to the city or emigrate. After I saw those officials the Danish government gave me and my deputy a car in Copenhagen, and we

drove a great many miles through the country, visiting different farms. We talked with the people about their economic conditions, and I must say that I was delighted to meet the class of people I saw in those countries. They were frugal, industrious and intelligent, and we could find no better settlers to come to Canada and help develop this great country.

Reference is sometimes made to the immigration to Canada during the early years; 281,890 of the 1913 immigrants were from foreign countries, as against an immigration of 72,887 foreigners last year. A great many people have been very much exercised over the immigration which took place last year. To be fair, I think when the leader of the opposition was speaking he did not so much regret the number as the fact that the British immigration was outnumbering the foreign immigration.

Mr. BENNETT: The foreign outnumbering the British.

Mr. FORKE: Yes, and a good many people seem to be afraid we were getting too many foreigners, and yet in 1913 there were 281,890 foreigners.

Mr. BENNETT: What was the total number?

Mr. FORKE: The total number was 402,432 immigrants coming into Canada in 1913. This is sometimes mentioned to me as something we ought now to aim at. I do not agree with that opinion. The conditions in the earlier years of this century and the conditions that exist at the present time are not the same in any way. The period from 1901 to 1911 was an era of great railway building, something we shall never see the like of again on the North American continent. Thousands of miles were being built, British capital was flowing into the country, two and a half billions of British money came into Canada during those years and tremendous areas of the richest agricultural land in the world was being opened up for settlement from the building of the railway in the western provinces. Immigrants were coming in and towns and villages were springing up everywhere. Work could be had by everyone who came to the country, and consequently the country was able at that time to absorb a very large number of immigrants. The conditions to-day are entirely different. I am inclined to think that a good part of the immigration that came to Canada at that time was only loaned labour from Europe, because it is well known that during all those years money orders and cheques were continually going back to the countries from which those people came. When the era of railway building was ended a great many people went back to Europe and their labour was simply available for the years they were here. But conditions are different now. Our country offers splendid opportunities for the right class of people. I do not want to discourage anyone who wishes to come to Canada with the proper ambition and fitness for the work he shall be engaged in when he comes here. However, I want to take exception to the statement of the leader of the opposition that immigration is dwindling. That statement is rather misleading. In comparison with 1913 I would say "yes," but when compared with recent years I would answer "no."

I have some statistics here which show how immigration is related to economics. When deflation came in the price of agricultural products after the war, farmers were very much discouraged. Immigration fell off in 1922, although for a time after the war, when high prices were still maintained we had one or two very good years. However, the slump came and the prices of agricultural products were entirely out of parity with the prices of what the farmers had to purchase. Those engaged in agriculture at that time could see nothing but ruin staring them in the face. Fortunately a change for the better came, and prospects are very much brighter and very much more encouraging at the present time. Although in 1921 there were 130,569 immigrants into Canada, the following year the number dropped to 89,999. In 1922 there came from Great Britain, the United States, and northern Europe 68,365 persons, and from other countries 21,634, a total of 89,999. In 1923 there came from Great Britain, the United States and northern Europe—I group these countries because the people from those lands are very easily assimilated; they are people very much like our own and constitute the very best immigrants—56,515 persons, and from other countries 16,372 immigrants, a total of 72,887. Now let me compare the figures for 1921, 1922, 1923 with those of 1926 and 1927. These periods are for eleven months. I do not happen to have the immigration statistics for the month of December. However, the omission does not matter because there is not much immigration in the month of December. The figures of the comparative statement are as follows:

	Great Britain, U.S. and northern Europe	Other countries	Total
1921	87,536	43,033	130,569
1922	68,365	21,634	89,999
1923	56,515	16,372	72,887
1927	103,297	51,018	154,315

So that in 1927 we had 81,428 more immigrants than in the twelve months of 1923. It is said that figures can be made to prove almost anything. The figures used by the leader of the opposition were perfectly correct, but they were presented in a different manner from the way I am giving them. I think the figures as I am giving them present a better view of the situation.

Mr. BENNETT: You manage yours better.

Mr. FORKE: I have already stated that the main endeavour of the government has been to secure British immigration. I have heard complaints sometimes that our display in London is not one for Canadians to be very proud of. I am quite willing to admit that we do not make as large a display in London as some of the other dominions do. I hope, however, that in the near feature we shall be able to do a little more than we have done in the past. But I must remind the house of this fact: It is sometimes forgotten that the other dominions concentrate all their efforts in London itself, whereas we, on the other hand, have ten agencies throughout provincial England. At each of these ten points there is a resident agent with an office and staff where propaganda in behalf of immigration is in progress all the time. Lectures are given during the winter months, and members of the staff are available all the time for the purpose of advising intending immigrants. On my last visit to England I inspected all these agencies, and found them well equipped in every way. In each case the office is situated on the main street, and there is an attractive window display of Canadian products. Our efforts along this line are sometimes forgotten by visitors from Canada who simply go to London and see what is done there in connection with the other dominions. I think, perhaps, upon the whole that Canada carries on a more active propaganda for British immigration than any other dominion in the empire.

Mr. ADSHEAD: Do you seek to attract the agricultural population of England, or the industrial population?

Mr. FORKE: Anyone in Great Britain who passes the required moral and physical tests, and can pay his own passage money, is free to come to Canada; there is no restriction debarring him from doing so. Any British subject is free to come to Canada; he does not even require a passport. On the other hand you need a passport when you want to enter Great Britain.

Mr. BENNETT: I read in Saturday's paper that a British subject desiring to come to Canada had to answer ninety-four questions, but that no such questions were asked of continental immigrants. I do not wish to interrupt my hon. friend. My desire is simply to get information on this subject, and the hon. gentleman may answer the questions as he proceeds with his address.

Mr. FORKE: That could only refer to assisted immigrants, and it is not correct even in the case of those who are given assisted passages. It is one of those instances in which there is a certain amount of truth, but it is presented in such a way as to be absolutely misleading.

Mr. BENNETT: That seems to be the trouble.

Mr. FORKE: I might take this opportunity of giving a brief explanation here of the empire settlement and other schemes. First of all let me read a short extract from the act, explanatory of the purpose of the legislation:

> It shall be lawful for the Secretary of State, in association with the government of any of His Majesty's dominions, or with public authorities or private organizations either in the United Kingdom or in any part of such dominions, to formulate and co-operate in carrying out schemes for affording joint assistance to suitable persons in the United Kingdom who intend to settle in any part of His Majesty's oversea dominions.
>
> An agreed scheme under this act may be either:—
>
> (a) a development or a land settlement scheme; or
>
> (b) a scheme for facilitating settlement in or migration to any part of His Majesty's oversea dominions by assistance with passages, initial allowances, training or otherwise:

And here is a clause which is rather serious:

> The Secretary of State shall not agree to any scheme without the consent of the treasury.

That is the snag I ran up against when I was in Great Britain; I had to deal with the treasury. When you have to do with the immigration authorities you do not experience much trouble, but when you come to deal with the treasury the matter is a little more difficult.

I should like to say a few words in regard to assisted passages. Assisted passages are only for agriculturists and domestics, and the department has a system for nominating individuals or families who are to receive assisted passages. Nominations are made by the department, or by individuals in Canada who require agricultural or domestic help, or by department officials in Great Britain.

There is the matter of bulk nominations. This refers to bringing over settlers in large

groups by any recognized transportation, colonization, religious or social organization approved by the department. This applies to bringing out to Canada single Britishers or British families who will come to this country to work on the land, and organizations responsible for their arrival in Canada must guarantee to find them farm work for one year after their arrival here. After those concerned have discovered where openings exist for the employment of agricultural help from the old land, they turn in a list of the prospective employers and the estimated number of workers required to the nearest office of the land settlement board for approval. When this approval is given the workers may then be secured and brought to Canada. This is where all the trouble in regard to immigration and the criticism one reads about arrives. When one reads something terrible about the Immigration department, this refers not to the general run of British immigrants but to the assisted immigrants who come over here on payment of ten dollars and whose families, under seventeen years of age, come over free.

I may point out that at this time the two governments, the Dominion government and the Imperial government, with a refund from the transportation companies, are paying the balance of the assisted passage rates. The people who are given these rates state that they are coming out to assured employment, to work on the land, or to buy farms and settle upon them. The Dominion of Canada through the Immigration department is paying out hard cash to bonus those people to come and work on the land, and I do not see why there should be any criticism or fault found because the department takes some steps to make sure that those applications are bona fide, and that the applicants are coming to assured employment on the land or at least to be employed in agricultural pursuits.

Mr. ADSHEAD: Who guaranteed the employment of the hundreds of Slovaks that the Canadian Pacific Railway Company flooded the west with last year?

Mr. FORKE: I shall have a word to say later in regard to the railway agreement. I have often pointed out to officials of my department that you can get a man in Great Britain to promise that the transaction is perfectly straightforward. You know that a man is going out to work for a certain farmer on this side; but when he comes he finds that he and his employer are entirely incompatible, they cannot get along, and of course when a man is anxious to leave he leaves. I do not know that there is any recourse in such a case; this is a weakness in the scheme and it is not very easily got over. It will, however, be noticed that newspapers and public speakers who criticize the department, criticize it not so much for that as for the restrictions and blocks that are put in the way of people doing just what I have spoken about. What satisfaction is it to the Dominion of Canada to get immigrants to come to Canada at ten dollars a head and then find that they come to Canada for no other purpose than to cross the line just as soon as possible? I want hon. members to understand something about the difficulty encountered by the officials of my department, and how hard it is to meet situations which arise and which they know cannot always be explained in public. The British people are like the Canadian people; they are a fine people; but at the same time there are in Great Britain a few who are quite willing to come to Canada at the expense of the Canadian government on a payment of ten dollars apiece, and who will slip over into Uncle Sam's territory just as soon as they can. It is the duty of the department to prevent that sort of thing as far as possible.

In connection with the Department of Immigration we have a land settlement board, the personnel of which is exactly the same as that of the soldier settlement board, although we have not as many employees as we had at one time. Their duties are to assist immigrants who come to this country and to look after the carrying out of the three-thousand family scheme. In fact they are supposed to be at the service of every immigrant who comes into this country, and to give advice and assistance in buying land, implements and stock, and in fact advice in general. I think it will be found that those men are doing splendid service throughout the Dominion in connection with land settlement work.

We have also a scheme for bringing boys over to this country. The Dominion government and the Imperial government give a grant of eighty dollars for every boy between fourteen and seventeen years of age coming from a good home, and we are working in co-operation with the provincial government in regard to this scheme. The provincial governments of Nova Scotia, New Brunswick and Manitoba have come under this scheme and they are at the present time working in agreement with the Dominion authorities. The province provides the farm as a sort of centre to which these boys come; it is not supposed to be a place where they will stay for any length of time; it is merely a dis-

tributing centre giving the Dominion government time to find suitable farms for these boys. The provincial government provides ten dollars, the Dominion government ten dollars and the Imperial government twenty dollars, making a fund of forty dollars for expenses in connection with the handling of these boys, and it must be remembered that the Imperial government and the Dominion government have made a grant of eighty dollars which is ample to cover the passage money of these boys as fifty-five dollars or sixty dollars will pay for the passage. This is one of the best schemes we have undertaken in the Immigration department, and we are getting hundreds of boys between fourteen and seventeen years of age, not from institutions but from good homes. These boys are under the protection of the provincial government, and I believe in a few years when they grow up into young manhood they will be the very pick of our Canadian citizens. This is one of the most hopeful endeavours in which we are engaged at the present time.

Mr. WOODSWORTH: Do I understand the minister aright, that all boys of this class come from private homes?

Mr. FORKE: Most of the boys who are being brought over under this scheme come from private homes. I would not say they are all coming from private homes. We have corporations like the corporation of the city of Newcastle which has been engaged in this work and sending some boys who are selected from private homes. They are young boys who do not know where to go to look for work and this scheme appeals to them. I had the pleasure of talking to the Lord Mayor of Newcastle who was most enthusiastic and who pointed out to me numbers of good families who had boys to whom this scheme appealed particularly. Most of the boys are of this character. I am not dealing with some of the private institutions which can avail themselves of the assisted passage scheme. The Salvation Army are bringing out a number of boys who get exactly the same grant as those who are coming out to the provinces. There are other organizations that have farms in Great Britain where they are doing a certain amount of training. Continual pressure is being brought to bear by different organizations, more especially by church organizations, to be allowed to come under this scheme, so that they may bring boys out to a centre from which they can be distributed. We have not encouraged them because we believe the provincial government with their farm have the best centre from which work of this kind can be carried on. I have been particularly anxious to get into close cooperation with the different provincial governments in connection with all our immigration schemes and endeavours, and I believe the solution of many of our difficulties will be reached when we have the hearty cooperation, assistance and advice of our different provincial governments in connection with the activities of the federal Department of Immigration.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, before this debate closes there are some matters, three in all, to which I desire to make reference. The first is one to which my attention was recently drawn, and I now bring it before hon. members of the house. I may term it the incorrect orientation of Canada as presented by the cartographers of the government, or the geographical malposition of our country as shown on the maps.

The correct projection of a map shows the lowest part of the latitudinal line opposite the centre of the lower border, and the terminals of each latitude should be an equal distance from the lower corners. But what do we find? I have here the Year Book of 1926, and I ask hon. members to inspect the map opposite the first page. They will find that the latitude of forty-five degrees on the east side is seven hundred miles from the bottom, while on the west side it is only one hundred and fifty miles; in other words, the eastern portion of Canada is shown five hundred and fifty miles farther north than its true position. This same error will be found in the maps on pages 6, 17, 190 and 268. As a result of this the maritime provinces are projected to the north. The map is askew; the east is slewed up towards the north, and the province of Ontario and the western provinces are correspondingly depressed. One marvels that the city of Ottawa should have such cold winter weather when the cartographers have succeeded in placing Ontario so far south. The peculiar construction of the map, however, may throw some light on the chart which the Prime Minister used to speak about a few years ago.

The next example is found in a book issued by the Department of the Interior, and one produced at great expense—the Atlas of Canada, of 1915. Here there are at least six maps improperly constructed in the manner I have described. I presume that this atlas is now no longer being issued and therefore I refrain from making an analysis. I now refer to the map of 1924 issued by the Department of the Interior. It shows the same errors as those that I have mentioned. It

places my own city of St. John thirty miles north of Winnipeg, yet its true latitude runs through the northern portion of the state of Oregon. May I add that the whole province of New Brunswick is somewhat south of the forty-ninth parallel. Maps such as this, Mr. Speaker, are hanging in the members' rooms, they are in our colleges, in our libraries and schools, and in the offices of our immigration agents.

The maps as distributed by the Department of Immigration present the same inaccuracies. I do not suppose that the immigrants will study the lines of latitude to check up this strange arrangement, but they will look at the map with a view to seeing at what distance from the north pole a certain province is located. They wish to assure themselves, if possible, of coming to a moderate or temperate climate. It is not sufficient to say that this misrepresentation can be noted and checked up by observing the latitude. I would ask how many of the two hundred and forty-four members of this house—all intelligent observant men—have made this observation. I would ask how many of the general public are likely to do it. I think the answer is obvious.

But here is a still more important point. Many of these maps do not show the latitude, and therefore you cannot check them. Even a geographer would fail to read our geography correctly, as it should be read. An officer of the Royal Geographical Society was asked his opinion on these maps, and when I say these maps I am speaking of those which are incorrect, and they are numerous, although there are maps that are correctly represented, and this officer fully agreed that the projection of a map should be symmetrically placed upon the sheet, so that a curved parallel of latitude would cut eastern and western margins at the same height. He says that on good maps draughtsmen follow this rule, and it is broken only by people who make a map by cutting a portion of a more extensive map and do not trouble to adjust the projection.

Whether that is the true explanation with regard to our Canadian maps I cannot say, but this I do say, that undoubtedly they present a wrong impression and give wrong information to ourselves and to the world, and I draw this matter to the attention of the Minister of Trade and Commerce (Mr. Malcolm), the Minister of the Interior (Mr. Stewart) and the Minister of Immigration (Mr. Forke), and ask them to take such action as will avoid in future the perpetuation of the error.

[Mr. MacLaren.]

I now come to my second subject, Mr. Speaker, and that is the London treaty, or the London agreement, or the London resolutions of 1866 and the British North America Act of 1867. One hears frequently of the Quebec resolutions, one hears references beyond number to the British North America Act, but comparatively seldom to the London resolutions or the London agreement. The Quebec resolutions and the London resolutions are very similar. True, the Quebec resolutions were more fully discussed than the London resolutions. The Quebec resolutions were drawn up not only with the colonies of Ontario, Quebec, New Brunswick and Nova Scotia participating, but also the colonies of Prince Edward Island and the colony of Newfoundland. These resolutions were not finally accepted; on the contrary, several of the colonies failed to concur, and therefore there was a conference in London, where representatives from Ontario, Quebec, New Brunswick and Nova Scotia alone met, drew up afresh the resolutions or treaty, and signed the document at the Westminster Palace hotel on December 4, 1866. That is the fundamental document, the basis of confederation. On the London resolutions was framed the British North America Act. This act, I submit, is an enabling act. On what? On the terms of agreement entered into by the four provinces which proposed the confederation.

Now, the British North America Act does not necessarily contain all the provisions in the agreement; as a matter of fact it does not contain them all, although it contains them very largely. I noticed last session that the Prime Minister (Mr. Mackenzie King) in his presentation of the Duncan report reminded us of:

> The spirit which animated the fathers of confederation in their efforts to construct out of British North America a federal union under a system of government devised to protect the diversified interests of the several provinces and secure efficiency, harmony and permanency in the working of the union.

Where did the Prime Minister obtain that quotation? He obtained it from the second section of the London resolutions. I think we hear far too seldom of the basis of our confederation. I would especially call the attention of the house to one section of the agreement which is not contained in the act, and I should like to place it on Hansard. It is section 66:

> The communications with the northwestern territory, and the improvements required for the development of the trade of the great west with the seaboard, are regarded by this conference as subjects of the highest importance to

the federated provinces, and shall be prosecuted at the earliest possible period that the state of the finances will permit.

On that section may well be based the policy of transportation through Canada. It can be made the substantial basis for that policy, and also for the government providing the necessary facilities in Canadian seaports. I ask hon. members to read that section carefully. It is still in force. It is as much in force to-day as it was on the day of signature. In this connection I would direct attention to the addresses and papers written by Mr. A. P. Patterson of St. John. He has made a study of these matters and has written several papers in relation thereto which are very informative and illuminating, and I believe all would gain a great deal of information from their perusal, as I have myself.

Now, I ask, how often have the London resolutions been printed in the last sixty years? I venture to think almost never. I have in my hand a copy of the British North America Act with amendments, recently issued by the King's Printer. I examined this book and I failed to find the London treaty on which the act is based. This statute, I submit, is the enabling statute; the resolutions are the basis of our confederation. I would urge the government in any future issue of the British North America Act to incorporate the London resolutions. The document should be withdrawn from its dusty quarters, for it is a vital document to-day, and I believe that in the interests of right and justice it should be printed along with the act.

My third subject, Your Honour, is that in reference to the maritime claims and the implementing of the Duncan report. On pages 2336 and 2337 of revised Hansard of last session will be found the statement of the position taken by a considerable number of maritime representatives on this side of the house regarding the action that the government was taking in relation to maritime claims. May I say that I still adhere to that position. I believe I cannot do better than review the tabulated list of items which we then submitted to the house, and which were then regarded as still to be implemented by the government. I now propose to go over the list again and see what progress has been made in this respect. The first on the list is:

The restoration to Canadian ports of Canadian trade now passing through foreign ports.

It will be remembered that in this connection a resolution was passed by the house instructing the railway commission to investigate the causes of our trade passing through American ports, and to make recommendations as to how this trade might best be recovered for the upbuilding of our own ports. I am not aware that such a report has come back to the government; in any case it has not been presented to the house. I would urge, if it is not in course of preparation, that the action resulting from the passage of the resolution in this house should be followed up and that so important a matter be dealt with by the railway commission and submitted to parliament.

It may be presumed that the special reduction on the Transcontinental to the city of Quebec is a gesture or a move to assist in reaching the objective of recovering our trade. Should the rates be extended to St. John and Halifax then a further step will have been taken. May I urge that the specific report referred to from the railway commission be presented to the house.

Number 2 item of our list relates to the acquisition of certain railway lines in the maritime provinces and number 3 is the question of affording adequate protection to the steel and coal industries. I shall couple 2 and 3 for the same reason: the Postmaster General recently made a public statement to the effect that both matters were being dealt with at the present time by the government and he looked for some early solution.

Number 4 relates to additional ferry service between Prince Edward Island and the mainland, and an improvement in the coal and transportation service on the island. That is a matter on which I have no information and I presume the house will be informed during the session.

Number 5 refers to the enlargement of the scope and power of the railway commission. As will be recalled, this recommendation was not acceded to by the Prime Minister last year. He said that the effects were so far-reaching that sufficient time had not been afforded for full consideration but that in any case he did not think it applied immediately to the maritime provinces. I venture to think that it does apply; the enlargement of the scope and power of the railway commission does apply in some parts of the country much more than in others. I believe that it applies much more in the maritime provinces. I urge the government to accede to that recommendation. Its great value is that there is opportunity for the railway commission to try out portions of the country where industries do not thrive. The commission can try these out to ascertain how industries can be encouraged in those places where at present they do not thrive, because this is essential to the prosperity and contentment of us all.

Number 6: Further consideration of the question of reduced freight rates, either by agreement or otherwise, to points not now covered by the present legislation. I may say that there are several points not yet covered by legislation—all portions of the recommendation regarding the 20 per cent reduction—and first, that clause which deals with the international freight rates. The Minister of Railways (Mr. Dunning) made the statement that this question was full of difficulties and he could not arrange it. Well, railways are no more full of difficulties than is the human subject; life is full of difficulties. It is for the Minister of Railways to overcome these difficulties, and I ask him to continue his efforts to bring about what is a very important and a very essential condition for the maritimes.

The next point I wish to touch upon is that of overseas freight destined for the Atlantic division. Here is another point which has not been implemented—a subsection of the recommendations on freight rates. The Minister of Railways stated that in his opinion the proximity of the maritimes to the seacoast was a sufficient advantage and therefore he declined to accede. Is the Minister of Railways aware of this fact that, comparing freight rates between Montreal and St. John, specifically in the fourth class, the rates meet at Campbellton, giving Montreal an advantage of about 190 miles? I say that to accede to this portion of the recommendations is not only fair and wise but is necessary.

Then we come to another item under the same heading which has given rise to much dispute, and that is, the tariff as submitted by the Canadian National Railways on the 20 per cent reduction. After all, the railway commission is the body to settle this matter. Much disputing and arguing has been going on over the question, but after all it is for the railway commission to make the decision. What is the position? The Canadian National Railways submitted to the railway commission tariffs which were not accepted and the Canadian National was instructed to return with a revised tariff. It has not done so yet. I refrain from discussing the merits myself, but as the matter has been passed upon by the railway commission I think it is high time that the Canadian National re-submitted its tariff for approval and that the tariff be approved.

The last matter under freight rates has reference to opening the gateways which existed in Ste. Rosalie and St. John for years previous to the passing of the Canadian Freight Rates Act. As the house knows, these are gateways where two lines meet and where there can be a transfer from one line, say, the Canadian National to the other, the Canadian Pacific, without additional cost and obtaining the same through rate that was in existence for some years.

Following on the passage of the Canadian Freight Rates Act the Canadian National Railways applied to the railway commission for authority to close these two gates. Decision was given against the Canadian National and an appeal was taken to the Supreme Court of Canada, which ruled that Ste. Rosalie should remain open and St. John closed. As one result of gaining the 20 per cent reduction on freight rates in the maritimes we have lost the competitive route at St. John by the gateway being closed. I do not suppose for a moment that that was contemplated by those who framed the act. I presume it was accidental and incidental in the phraseology, but the fact is that the phraseology, especially in the ninth section of the act is such and was such that it curtailed the supervision of the railway commission and led to the finding of the Supreme Court of Canada. I urge, sir, that the government make such amendments to the act as shall authorize and enable the gate at St. John to be re-opened as it was previous to the act.

My friend the Postmaster General (Mr. Veniot) has been discussing the matter very fully recently and one point he stated was that he considered it unfair that the Canadian National should have to pass its freight to the Canadian Pacific Railway and that the Canadian Pacific Railway could not be called upon to reciprocate. Now, sir, I have heard good opinion giving a different construction as to the powers under the open gateway—so good that I have grave doubts of the accuracy of the opinion of the Postmaster General on that point.

Mr. VENIOT: Would the hon. member permit a question for the sake of information? Is there any order of the railway commission such as that issued against the Canadian National Railway, issued against the Canadian Pacific Railway, ordering them to hand over freight in that way?

Mr. MacLAREN: I cannot say. I have no knowledge one way or the other, but I give this as a good opinion of those better qualified than I am on a matter such as this, that it acts reciprocally, that what applies to one railway applies to the other. There is another matter in which the Postmaster General made a statement with which I am afraid I must differ, and that is that it is unfair to the Canadian National Railways. Let me say, that it is entirely a matter of service. The

open gateway means nothing in additional rates or less freight rates. It does not mean much in the matter of time, whatever there is I do not stress that, but what I emphasize is the rights of shippers, such as exist in many other parts of the country, that where possible they should have a competitive trade route. Why? What is the value of that. It is neither the money nor the time, but it is efficiency, it is service and whatever is obtained most favourably is obtained under competition. There is no disposition in our country to favour the Canadian Pacific Railway or the Canadian National. It is a matter of efficiency. If the service of the Canadian National Railways will satisfy the people, the Canadian National will retain its business, and so will the Canadian Pacific under similar circumstances. Neither railway need have fear, nor is there any ground for having fear, if the service is efficient and satisfactory.

The final paragraph of the statement reads:

Number 7. Further attention to the great fishing industry of the maritime provinces, including curing, storage and transportation facilities to central markets.

That is the protection, handling, and marketing of fish products and as we know a royal commission is now sitting, I trust the result of the commission, which has the possibility of a great finding, will lead to the preservation of our fish, effective handling and good marketing.

I believe I have shown to the house that there are a number of resolutions, or portions of resolutions, that have not yet been implemented. I do not refer to the Ste. Rosalie-St. John matter. I do not say that is a resolution at all. That was a matter arising out of the act, but I am referring to matters outside of it, and I am also referring to matters outside of the Saint John-Quebec railway question and the steel question. I say there are some resolutions not implemented. I cannot agree with the statement reported to have been made by the Postmaster General in St. John on the 18th January of this year that the government, with the exception of two resolutions, had implemented fully the Duncan report. I say, Sir, that I have shown to the contrary. I trust the Prime Minister will not accept the interpretation of my hon. friend the Postmaster General and I respectfully invite him to apply himself diligently to a further study of the maritime claims.

Mr. ROBERT MILNE (Neepawa): In rising at this time I should like to say that the people of the province from which I come appreciate the fact that the government intends to turn over to the western provinces their natural resources. I do hope, however, that they will not forget that a large part of our resources have already been taken, and that when the final adjustment is being made that factor of remuneration will be considered, in order to take care of those that have already gone. It is also gratifying to know that the government have taken active and definite steps to complete the Hudson Bay railway to the bay and that in a very short time we will be able to use that line to carry our produce from the prairie provinces to the markets of the world. It is also gratifying to hear of the prosperity of the Dominion generally. The trade figures certainly indicate that business in this country is good. The figures the bankers have given out indicate the same thing. But in spite of the fact that all these things tend toward prosperity, from my observation I am led to believe that the prosperity of our Dominion is not being distributed equally among all the different classes and districts of the Dominion. The agriculturists are the ones who have laid the foundation for the prosperity of the Dominion. They supply approximately half of our population. The figures that were given in the house some few days ago show that out of an export of $1,218,000,000, grain products were accountable for about $447,000,000. Last year the agricultural production was estimated to be in the neighbourhood of $1,660,000,000, which is a little less than the amount estimated for the previous year. I do not see that any fact has been presented to the house yet to indicate that agriculture is sharing in the prosperity of the country to the extent to which it is entitled. The recent census published in the province of Manitoba shows that in the whole of the province less than two per cent of the farm homes have running water, less than three per cent have electric light and less than 30 per cent have telephones. It seems to me this does not indicate that the people on the prairies are enjoying that prosperity which certain other sections and classes in this country are experiencing. Otherwise they would not be suffering from the lack of such requisites in their homes. Nowadays the telephone is considered indispensable in the home. It certainly is a necessity in the rural districts in the newer portions of the country where doctors, for example, live some distance away from their patients, and where the roads are far from good.

The income tax returns would indicate also that people engaged in agriculture are not as prosperous as they might be. Throughout

the whole of Canada only 3,643 farmers are paying income taxes, which serves to show that the vast majority do not earn enough to bring them into the taxable class.

Another thing which indicates, to my mind, that the rural parts of Canada are not as prosperous as they should be is the difficulty in getting immigrants to come and stay. If the conditions in Canada were such that people could go on the land and make a comfortable living there would be no difficulty in securing immigrants. The problem then would be to keep them from entering the country. To-day everybody is crying out for immigration and saying that if we could secure population our problems would be solved. That may be true, but the difficulty seems to be to retain settlers when we get them. In the province of Manitoba between 1921 and 1926 the population increased by a little over 28,000. During the same period the immigration into the province numbered about 30,000 souls so that not only did the province fail to keep its natural increase, but it lost 2,000 immigrants as well. These figures indicate that conditions are not as good as they might be. If we are to develop our country we must make the pursuit of agriculture more remunerative and profitable, because it is just as true to-day as in the pioneering days that the prosperity of the country depends upon the success of farming. There is no reason in the world why agriculture should not be enjoying a greater measure of prosperity than it actually does. No one has greater faith in the future of this Dominion, or of western Canada, than I have. From the point of view of production there is absolutely nothing wrong with the country nor with its agricultural class, which compares favourably with that of any other country.

One of the big drawbacks to the success of agriculture is the cost of production. The cost of transportation is also high, and that vitally affects the people of the west. Closely related to the cost of production and the cost of transportation is the tariff. The tariff tax is a tax that can be passed on to the consumer. In proof of this may I be permitted to quote from the Retail Trade Review for December, 1927, which makes the following statement:

> Indirect taxation, such as customs, excise and sales tax, can be imposed by the Dominion government because manufacturers and producers are supposed to indemnify themselves against the same by passing it on to their customers.

It was proven conclusively, I think, when the duty on automobiles was lowered, that the consuming public were able to buy automobiles cheaper. I think the same result would follow if the duty were lowered on other goods. Those of us who are engaged in the farming industry believe that if the tariff were reduced on implements of production and the necessities of life we would be able to live more cheaply. According to figures submitted to the tariff board it cost the people of Canada about $19,000,000 to maintain the cotton industry in this country for one year. I do not know what the cost of maintaining the boot and shoe or the woollen industry was, but the amount must have been considerable. Now those who are engaged in pioneering and developing our country, laying the foundations for a better and more prosperous nation, are the people who are called upon to pay these taxes in order that industries may accumulate wealth. In many cases that I know of the children of these taxpayers are very inadequately clad and are unable to go to school except when the weather is mild. Yet these privileged manufacturers come along and ask for higher tariffs, with the result that still greater burdens would be placed upon these poor people whose children, in many cases, are not only poorly clothed but insufficiently fed. They are the people who are being oppressed in order that certain classes of individuals may be able to accumulate wealth.

I do not want to speak at great length but I should like to refer to the duty on cement. Cement is largely used in the rural districts for foundations and floors for farm buildings. In the interest of the conservation of our supply of lumber we ought to encourage the use of cement rather than limit its consumption by the imposition of a tax. If it were for no other reason than that of the conservation of our timber, it would be worth while considering the matter of encouraging the use of cement, but we find a tax of eight cents per 100 pounds imposed on this commodity. I do not know whether this matter has been referred to the tariff advisory board, but we would be almost led to believe the Canada Cement Company, which practically controls the manufacture of cement in this country, is well able to do without a tariff, particularly when we know that during the last few months they split a melon, as the saying is, and presented many of the shareholders with new stock.

Paint is another material which from a conservation standpoint is equally as important as cement. If the buildings, machinery and equipment of the agricultural people are not kept painted, they deteriorate and waste away in a comparatively short time, and

therefore in the interest of conservation the use of paint should be encouraged instead of being hindered by the imposition of a tariff tax. White lead ground in oil bears at the present time a tax of 37½ per cent. To my mind this rate is absolutely unreasonable, and further if we have any idea of advertising our country to tourists and immigrants, nothing will attract greater attention and create a better impression than well-painted homes in rural districts and towns throughout Canada. Therefore the government would be well advised, instead of retaining this tax of 37½ per cent on white lead, to encourage the use of paint by lowering this tax.

Another tax about which I want to say a few words is the income tax which, in my opinion, is one of the fairest systems of taxation we have, although a definite effort appears to have been launched to eradicate it. In fact, in the same pamphlet to which I referred a short time ago it is declared specifically that they will not let anything stand in the way of their accomplishing the abolition of this tax. I consider this tax is fair because the people who have the income are the people who have to pay it. We hear a great deal about the crop in western Canada this year. It is true that we produced a tremendous quantity of grain, but in spite of that fact there were large areas in the prairies where the crop was far below normal on account of rust, hail, frost and a dozen and one other things that occur at times to take away from us what promises to be a very profitable crop. When we have a tax like the income tax, those people who have been unfortunate in their returns are the people who do not have to pay, while the people who have good returns, either through their work or because of favourable seasons or conditions, are the people who have to pay.

The tariff tax and the sales tax do not take into consideration the prosperity of the individual who pays the tax; they do not take into consideration, as the income tax does, the responsibilities of individuals in regard to their dependents. Generally speaking, the tariff tax and the sales tax have to be paid to a larger extent by people who are developing our natural resources. The people who are making this onslaught on the income tax state in their pamphlet:

> Indirect taxation, such as customs, excise and sales tax can be imposed by the Dominion government because manufacturers and producers are supposed to indemnify themselves against the same by passing it on to their customers.

I should like to ask these people who are so determined to abolish the income tax why the manufacturers are supposed to be exempt from taxation? What divine right have they that they should not help to bear the burden of the taxation of this country? This same circular makes this statement:

> Men and women out of employment, and those who do not earn enough to pay an income tax are indirectly but not directly interested in this subject.

In my opinion they are the people who are vitally interested. According to the latest returns of last year in regard to income tax only about ten per cent of our people pay this direct tax. If they are relieved of the income tax, this means that a burden of $55,500,000 will be thrown on the shoulders of the other ninety per cent of our people who have not sufficient revenues or salaries to be taxable. We are told that the income tax is preventing capital from coming to our country, but any person who has been following the development of Canada will readily realize that this is not the case. Let me ask the government not to make any further reductions in the income tax, but rather that they consider the advisability of taxing the incomes of speculators who speculate on our grain exchanges and stock markets. Those speculators serve no useful purpose; they employ no labour, and I see no reason why such speculation should not be taxed.

I have endeavoured briefly to show that the agricultural community, the people who are laying the foundation of our prosperity, are not receiving their proper share of the prosperity which this country is enjoying, and I suggest that a reduction of the tariff tax on the necessities of life and implements of production will assist those people in retainning what they have worked hard for, and what rightly belongs to them. I humbly suggest that the income tax be not reduced any further, but that consideration be given to the idea of placing a tax on the earnings of speculators who make money in our grain exchanges and bond houses.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I have read the speech from the throne a number of times and I am not sure yet what to think of it. I do not know whether it was an attempt on the part of the government to hold the speech within certain limits as to the actual number of words employed in presenting it, or whether it was not possible for the government, in view of the celebrations and conferences held last year, to prepare an outline of the legislation that would come before parliament this session. Either the former must be true, or the government must have been so busy

celebrating the sixtieth anniversary of confederation last year that they have not yet made up their minds as to the legislation they intend to present to the house.

It seems to me, Mr. Speaker, that the speech from the throne ought to give us at least an idea of the line along which the government intends to proceed, because it is necessary that members should apply themselves as early in the session as possible to a consideration of the questions that are likely to come before them. Nearly every session, towards the close, contentious legislation is brought down involving large commitments of money, and also large principles, and the house has not the time required for proper study of the questions involved. If the speech from the throne is to be anything more than a mere curtain-raiser to the proceedings of the session, it ought to contain a suggestion at least as to the line along which the government intends to proceed during the session.

I take issue with the speech from the throne in its very first paragraph which says:

> It affords me much pleasure to meet you at the commencement of another session of parliament and to be able to congratulate you upon the marked prosperity of the country.

I am willing to admit that there is prosperity of a kind in the Dominion of Canada, but that is not prosperity of the whole country. The speech from the throne goes on to enumerate some of the things that indicate we have marked prosperity, and some of these at least I am willing to concede—the volume of trade and building construction, the growth in employment, the increased railway receipts, the expanding revenues, and business conditions generally. It seems to me that even to mention the growth in employment is itself a notable qualification of marked prosperity. We have to admit that to-day, while we are combing a part of the world for immigrants to come and settle on our lands, in large sections of Canada there is a good deal of unemployment. That is true of some of the mining districts in the province of Alberta, and it is generally true of the large cities throughout the Dominion. When the government speaks of the marked prosperity that exists throughout the country it seems to me that they are starting off and looking ahead to the session with a wrong conception; they are off on the wrong foot. If the Liberal party is going to live up to its traditions it must think of the people as a whole and not simply of the few who are enjoying marked prosperity. Here is a quotation from an address of the Right Hon. W. L. Mackenzie King at Aurora, Ontario, taken from Liberalism—a Canadian View:

> A situation such as exists in Canada to-day has not come into being over night. It is the result of forces which have been operating within the body politic for some years past and to which the war and exigencies of war have afforded favourable and exceptional opportunities. Were I to express the situation in a word, it would be that the political, industrial and, to a considerable extent, the social life of our country, to-day lies enthralled under the subtle and malignant influence of combined autocratic and plutocratic control, which seeks, the aggrandizement of a few individuals at the expense of the state, and is regardless wholly of the well-being of the people at large.

If democratic government is to continue in this country, and if the Liberal and Conservative parties are to continue to exist, they must have regard to something more than the increased revenues of the railways, increased prices of stocks, and an increased volume of trade. We shall have to speak of something more than a growth in employment before we shall be justified as representatives of all the people in talking of marked prosperity, unless we mean it is a black mark. We are not enjoying prosperity throughout the Dominion. We have a federal Department of Labour which has made some considerable investigation into the question of what is a reasonable standard of living. I do not wish to take up very much time in going into all the details, but according to the industrial and international relations committee report of 1926 a reasonable standard of living calls for an income of around $2,200 to $2,400 per annum. Other organizations throughout Canada and the United States have placed a reasonable standard of living for a family at about $2,200 to $2,500.

I now wish to examine—and I base my statements on the figures presented in the Canada Year Book—the returns that have come to agriculture and to our manufacturing industries, as well as to the people who work in those industries and to some of those who draw dividends, just to ascertain as far as possible what those returns are. The Canada Year Book of 1926 at page 188 shows the great divisions of industry—agriculture, forestry, fisheries, trapping, mining, electric power, construction, custom and repair, manufactures. For the purpose of my argument I wish to examine agriculture and manufactures. The estimated gross agricultural wealth of Canada in 1924 was $7,498,566,000. The net production for that year was $1,140,895,500. The net production represents an attempt to eliminate the value of the material consumed in the productive process. At page 674 of the same Year Book we are given the number of people employed gainfully in agri-

culture as well as in some other industries, and we find that about 1,023,706 males and 17,912 females were gainfully employed in agriculture in 1921. I have here, for anybody who wishes me to give it, the definition of employment on which these figures is based, but I may say that it does not include farmers' wives. Now there are some 700,000 farms in Canada, and I maintain that if the farmers' wives are going to be considered at all it will be necessary to add to the 17,000 odd females gainfully employed at least one woman for every farm. It is also necessary to make some allowance for the increase in population from 1921 to 1924. Without going into the details, I have estimated that the number of males gainfully employed in Canada in 1924—and I take that year because it is the last year for which we have complete figures in the Canada Year Book—was 1,094,259, and of females, 18,712. But if you add to the number of the females the difference between eighteen thousand and the number of farms in Canada you get considerably more. I will deal with that later.

We find the wage bill of agriculture, with a million males and eighteen thousand females, as being $704,574,956, leaving as a return on the capital investment after these wages are paid a sum equal to 5½ per cent. But if you add to the eighteen thousand females who are supposed to be gainfully employed in agriculture 690,000, being one woman for every farm in Canada, the amount that would be paid in wages would be $1,013,807,314, leaving for the capital investment the magnificent return to pay interest, taxes and everything else, of 1½ per cent.

I do not think it is unreasonable that the farmers' wives should be considered in estimating the wage bill of agriculture. According to the Canada Year Book the wage in agriculture averaged all over Canada amounted in 1926 to $636 for males and $461 for females. That is one reason why we have such articles as the following, which appeared in the Western Producer of August 18, 1927:

> The Dominion Bureau of Statistics has issued a preliminary report on the agricultural statistics of the provinces of Manitoba, Saskatchewan and Alberta as shown by the quinquennial census taken in June, 1926.
>
> The report showed a decrease in the number of occupied farms in all three provinces over the year 1921, when the last census was taken. The 1926 census showed 53,251 occupied farms in Manitoba as compared with 53,252 in 1921; 117,787 occupied farms in Saskatchewan as compared with 119,451; and 77,130 in Alberta as compared with 82,954.

And so on. Anyone who thinks that agriculture can be really described as prosperous when the average male wage is $646 a year including board, and the average female wage $461, including board, has a wrong view of what prosperity means. I am sorry that we should think of these conditions—and conditions as a whole are very little changed today from what they were in 1924—as being part of the marked prosperity of the Dominion.

The member for Neepawa (Mr. Milne) has given some figures regarding the actual living conditions on farms in Manitoba. Our bureau of statistics does not make surveys of this kind, and I think it ought to be provided with the necessary appropriation to enable it to do so. In the United States they have made such a survey, and in "Labour," published in Washington on August 20, 1927, we have the following:

> Survey Shows Bad Living Conditions Existing on Farms.
>
> A survey of living conditions on 10,000 farms in the west and north, conducted by the Department of Agriculture, reveals that only 20 per cent had bath tubs, only 32 per cent had running water in the house and 85 per cent had open outdoor toilets.
>
> Over one-third of the farm women were compelled to carry water for household use and their working hours averaged 11.3 hours per day.

Now I come to our manufacturing industries. I think conditions are somewhat different here, though not altogether so. According to the Canada Year Book, the capital invested in Canadian industries in 1924 was $3,538,813,460; the gross value of production, $2,695,053,582; the net value of production, $1,256,643,901; salaries and wages, $559,884,045—leaving a balance to be applied to interest and capital charges of $696,759,856, or a return of 19.6 per cent. The average of salaries and wages was $1,101.04. Some years ago a friend of mine who had had some experience in India informed me that in several sections of that country workers are not hired on the basis of a specific wage, but on what will constitute a meal or less for a day's work; that is, they are hired on the basis of a full stomach, a half stomach or a quarter stomach. What have we to show for our marked prosperity as between the people who are engaged in manufacturing and in agriculture in regard to the standard of living? A full living or stomach is $2,200; there is a half stomach to our employees in the manufacturing industries of about $1,100, and a quarter stomach for the farmers at $600 and $400 respectively. I submit, Mr. Speaker, that this is one reason why it has been easy to raise a dispute between farmers and workers in industry. People have said that

the only way you can help the farmers is to reduce wages in your manufacturing industry in order that your farmers may have better times, and vice versa. But as a matter of fact we cannot help people who are down at the $600 level by asking our industrial workers who have only half a standard wage to take anything less. But there is a place where it can be got, if it must be got in that way. I do not believe it must be. I believe it will be got by a better organization of our whole industrial life, so that our production will be cheaper and our exchange basis will be more near a parity. Where has the prosperity been going during these last few years and few months? What about the condition of our stock markets? An index from the long time or investors' point of view is published by the Bureau Monthly, based on a fixed list of stocks. In this index column 1 gives the weighted index numbers of the prices of the twenty-five best selling industrial and public utility common stocks on the Montreal and Toronto exchanges. In January 1925 in this column the price is 100; in January 1926, the third week, it had risen to 152.1, and continued steadily upwards with the exception of slight fluctuations until in the week ending December 31, 1927, it had reached 590.0, or an increase of nearly 500 per cent. I think I saw in one of the Ottawa papers on Saturday that the federal reserve board of the United States was going to increase the interest rate in order to check speculation.

Now I turn to the government. What was the policy of the Liberal party away back in 1919?—and they still proclaim it. It was a policy of promoting equal conditions, of giving equal rewards so far as industry is concerned. Well, what I have just referred to shows that industrial stocks are sky-rocketting, but the workers in agriculture and manufacturing industry are not getting what we recognize to be the standard living wage. Here is the Liberal platform of 1919, and it contains the following resolution as to the tariff:

Resolution on the Tariff

That the best interests of Canada demand that substantial reductions of the burdens of customs taxation be made with a view to the accomplishing of two purposes of the highest importance: First: diminishing the very high cost of living which presses so severely on the masses of the people; second: reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country.

That, to these ends, wheat, wheat flour and all products of wheat; the principal articles of food; farm implements and machinery; farm tractors, mining, flour and saw-mill machinery and repair parts thereof; rough and partly dressed lumber; gasoline, illuminating, lubricating and fuel oils; nets, net-twines and fishermen's equipments; cements and fertilizers, should be free from customs duties, as well as the raw material entering into the same.

That a revision downwards of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption (other than luxuries), as well as on the raw material entering into the manufacture of the same.

That the British preference be increased to 50 per cent of the general tariff.

And the Liberal party hereby pledges itself to implement by legislation the provision of this resolution when returned to power.

Let me now read from the Liberal declaration of 1921:

The Liberal party led by honourable W. L. Mackenzie King stands for: government of the people—not by autocrats; government by the people—not by big interests; government for the people—not for a favoured few.

The other day the Prime Minister (Mr. Mackenzie King) made the following statement in his speech:

I say, Mr. Speaker, and I say it with considerable pride, that there has never been an occasion when one standing in the position of leadership of a government was able to give to this parliament a record of greater progress or a message of higher hope, present and future, than I have been enabled to give to this house to-day. . . It is not for me to say what the Minister of Finance will have to tell this house when he brings down his budget, but I for one shall be very much surprised if he does not show again this year, as in former years, reductions of the public debt, surpluses, and further tax reductions.

My point is this: The Liberal party came into power on a platform of drastic tariff reduction, a reduction which, notwithstanding the accomplishments spoken of by the Prime Minister the other day, is not anywhere near attainment yet. The Liberal party came into power on the platform of promised increases in direct taxation. The first few years they were in power, as we know, the Minister of Finance, Mr. Fielding, was up against a condition where his revenues were hardly equal to expenditures. But what is the state of affairs to-day? We have good times. If therefore the government cannot give effect to these promises this year when is it going to be done? The old arguments ran as follows: "When times are good, don't change them; and when they are bad don't touch things or they will fall to pieces." The Liberal party stands to-day in the position where the revenues are buoyant, and if their promises ever meant anything to them this is the session in which they should carry out the pledges to which I have alluded.

During the last election I was informed that some of my Liberal friends were very much peeved at me because I said that there was scarcely any difference between the Liberal and the Conservative tariff policies. I want to repeat that to-day, and so that there may be no misunderstanding, I should like to put on Hansard a statement covering all the years the Conservatives were in power, from 1888 to 1897 and from 1913 to 1922. I have given the Conservatives credit in each case for one year after they went out. In the statement I have given the figures regarding the Liberals from 1898 to 1912 and from 1922 to 1926. In both cases I show the average tariff collections against all dutiable imports and against all imports dutiable and free, and taking the whole period during which both parties were in power respectively I find that there is a difference of just .8 per cent in favour of the Liberals. If you take all the years the Conservatives were in power you will find that the collections on dutiable imports average 27.4 per cent while in the case of the Liberals, during the whole time they were in power, the collections averaged 26.6 per cent, or a difference of .8 per cent. Taking the figures covering all imports we find, in the case of the Conservatives, an average of 17.2 per cent and in the case of the Liberals, 16.4 per cent. The complete statement is as follows:

Page 462—Canada Year Book—

Conservatives 1888 to 1897		Liberals 1898 to 1912	
Dutiable	All	Dutiable	All
31.8	22	29.7	17.5
31.9	21.8	28.8	17.2
31.0	21.4	27.7	16.7
31.4	21.0	27.5	16.4
29.7	17.8	27.3	16.5
30.3	18.4	27.1	16.5
30.9	17.8	27.5	16.8
30.5	17.8	27.8	16.7
30.0	19.2	27.0	16.4
30.0	18.7	26.5	16.1
		26.7	16.5
307.5	195.9	27.5	16.7
		26.8	16.5
1913 to 1922		25.9	16.2
26.1	17.1	26.1	16.8
26.1	17.3		
27.4	16.8	409.9	249.5
27.2	15.5		
23.8	13.0	1922 to 1926	
21.5	12.1	24.0	16.7
21.5	12.3	22.9	15.1
22.5	14.7	23.3	15.1
20.6	14.1	24.7	15.5
24.5	16.2		
		505.7	311.9
241.2	149.1		
307.5	195.9	Average 26.6	16.4
548.7	345.0		
Average 27.4	17.2		

With regard to the question of direct taxation, which has a bearing on what I shall say with reference to income tax, I want to read from the last paragraph of the Liberal platform giving the "resolution on financial condition and taxation":

> Whereas both Great Britain and the United States at present raise more than 80 per cent of their revenue by direct taxation, while Canada raises not more than 20 per cent:
>
> Be it and it is hereby resolved:
>
> 1. That the serious nature of the country's financial situation calls for the profundest consideration of all patriotic citizens, and the exercise of the severest economy by the government;
>
> 2. That increase of revenue must be sought from an equitable and effective imposition and collection of graduated taxes, on business profits and income, applicable to all incomes above reasonable exemptions;
>
> 3. Taxes on luxuries.

I have shown that the difference between the two policies, Conservative and Liberal, over a period of forty years has been just .8 per cent. Now, what happened last year in connection with the income tax? In spite of these declarations we had a straight cut of 10 per cent. I am opposed to reductions in the income tax. The declarations of the Liberal party, if they lived up to them, would lead them also to such opposition, and I think that the sooner we reach the stage where governments and everyone else besides live up to their commitments, their solemn pledges, their platforms, the better it will be for this dominion. If parties cannot do this, then let us put an end to this travesty; let us be frank with the people. It has been argued that we should abolish the income tax because of the fact that it keeps capital out of the country. The chief reason why the retail trade bureau wants to abolish the income tax is simply the fact that those who pay it cannot pass it on to others. In their pamphlet they say, "A direct tax is a tax that cannot be passed on". We do not tax the people because we like to do so; as I understand taxation, it is imposed because of the necessities of government. And there is nothing, from the standpoint of the restriction of trade, which is true of the income tax that is not true of any other tax. But when you come to the income tax you are taxing profits, something which people can pay without hurting themselves; and the only alternative, if we have not an income tax, is indirect taxation in the way of a customs tariff on the requirements of people who to-day are enjoying less than a reasonable standard of living. I hope therefore, in view of its past pledges, in view of the fact that the income tax is not a hardship, in view of the

fact that increasing capitalization in industry is not providing more employment but rather less, that the government will live up to its pledges and give all the reductions necessary this year in the direction it has promised in the past. Unless it does so it will become merely part and parcel of the Conservative party.

I wish to refer to one other subject—and I see my time is passing; however, we shall have other opportunities to express our views, regardless of the forty-minute rule. This is apparently a session of committees; we have been promised that one or two matters will be referred to committees—for example, the question of immigration. Last year we had a committee to which was referred the question of conditions in Athabasca at the last election. I think the Prime Minister has promised that the question will be referred to that committee again, or at least he said he was willing that it should be. But I should like to see another matter referred to a committee, and that is the whole question of campaign funds. The revelations made last summer before the royal commission which was then sitting are going to have their effect on the democratic institutions of the country if we cannot clean up the conditions referred to. I do not care what anybody says regarding the right of the private citizen to drink; I believe the people of Canada do not want the booze business at the bottom of our party system. A conviction is certainly taking hold in the minds of the people that those who have been violating the income tax and the business profits tax laws and who have stated that they had been paying into the party campaign funds of both political parties, were doing so for what was suggested, namely, for protection against a too vigorous application of the law to their case. Whatever may happen in the Department of National Revenue, I think we ought to open up the question before a parliamentary committee, to see if it is not possible to frame something in connection with the Elections Act that will at least make it possible for people in the Dominion of Canada to get a clear idea as to where the campaign funds of the two parties come from. We have had sneering remarks from across the house about the little group in this corner. We challenge you to divulge the source of your campaign funds, and all of them, as we have done. We may have our faults; we may be narrow in some respects, but we challenge both parties to meet us on that issue and to make public the source of the campaign funds which go into their treasury and help them to win their elections.

[Mr. Kennedy.]

I wish to say a word regarding the question of appointing diplomats. A diplomatic representative in Japan has been spoken of. Diplomats have done some good and some evil. I do not know whether it is anything to be condemned, but we might as well keep an eye on the past and try to understand the dangers we are running into as well as the advantages. The agricultural industry of this country is very largely standing on its own feet—it does get some help by way of demonstration from the experimental farms. The Minister of Trade and Commerce would do very well if he would appoint a few more trade commissioners to the orient. We are looking for an increased market for our wheat in the east, and wheat is the commodity which produces marked prosperity—according to the statements of many of the big business executives throughout the country. I think it would be a good thing if the Minister of Trade and Commerce could see his way to appoint a few more trade commissioners in the orient.

With regard to immigration, which has been discussed here this afternoon, we are all wondering why we do not get more immigrants. Why do we not get them as we did from 1901 to 1913? In the first place there seems to be a scarcity in Europe of the people we want as compared with the period from 1901 to 1913. We ask them to come in and establish themselves under conditions that are entirely different. What was the situation in 1901? We were building railways ahead of settlement, and settlers could have the pick of the land for a distance of two hundred miles along a line of railway. Conditions are different to-day; we are not building railways ahead of settlement. If the government could see its way to fulfil the promise the Prime Minister made to the people in the Peace River country at Edmonton a few years ago, we might have similar conditions and might not have the same difficulty in getting and holding immigrants. But there is a fundamental difference. What are we asking to-day? We are asking that the settlers come in and live as best they can, twenty, fifty or a hundred miles from a railway. We ask them to exist as best they can until in the face of their difficulties they furnish enough traffic to make a railway pay from the start. That was the attitude in this House of Commons on the government side last session. Even though we have made blunders in the past by being too optimistic we ought at least to meet the settler half way.

Mr. ROBERT McKENZIE (Assiniboia): Mr. Speaker, I desire to join with those on both sides on the house who have spoken on this question, in offering my congratulations to the mover and the seconder for the manner in which they have performed the tasks allotted to them. I cannot say, however, that I can congratulate the hon. member for Peace River (Mr. Kennedy) who has just spoken or agree with him in the apparently pessimistic view which he has taken of conditions as they exist at the present time in this fair country of ours. At the commencement of my brief remarks, Mr. Speaker, let me express my satisfaction and pride, which satisfaction and pride I believe are shared, not only by the members of this house, but by the people of the country generally, that the economic condition of this country is such that it was possible for the Governor General at the opening of parliament to express the optimistic views which he did. In the first paragraph of the speech he indicates his pleasure at meeting parliament and being able to congratulate it upon the marked prosperity of the country. He goes on to say that the volume of trade and of building construction, and growth in employment, the increased railway receipts, the expanding revenues, and business conditions generally, all bear testimony to a sound economic development which promises much in the way of substantial progress. I agree with previous speakers that the prosperity we are enjoying—because without doubt we are enjoying a measure of prosperity—is not evenly divided. I agree in that respect with the statement of the hon. member who has just spoken. As a matter of fact prosperity has never, at any period of its existence, been equally divided. I do not pretend to prophesy but I doubt whether the time will ever come, in this or any other country, when prosperity will be equally divided. In view of the statement made by One of old, "For ye have the poor always with you," I believe the same condition will prevail until the end of time.

Mr. WOODSWORTH: May I ask the hon. member if he considers that a desirable condition?

Mr. McKENZIE: No, but it is a condition which we cannot avoid. If we could we certainly would do so.

I should like to emphasize the part played by the western provinces in bringing about national prosperity. It has been said on more than one occasion in this house in my hearing, that agriculture is the key to our national prosperity. I believe that is true, and such being the case I should like to direct the attention of the house to the part that is played in that prosperity by the province from which I come, and to point out, as the hon. member for Neepawa (Mr. Milne) remarked, that notwithstanding the contributions which the western provinces are making towards prosperity they are not receiving their fair share of benefit. I have here a copy of a monthly review called Agricultural and Industrial Progress in Canada, a pamphlet issued by the Canadian Pacific Railway Company. It is not one of the latest issues but it is one which came to my hand and, in connection with the part played by Saskatchewan in the prosperity of Canada, I should like to read a few words under the heading "The Growth of Saskatchewan—Twenty Years' Progress," which illustrates better than any words of mine the point I wish to make. It says:

> The progress as an agricultural territory has been most marked, the province not only annually further consolidating its position as the wheat province of Canada, but striking out with such enterprise along other lines of agricultural endeavour that it has come to rank very high in many of them. In 1926 Saskatchewan was credited with producing 215,101,000 bushels of wheat, or over 50 per cent of the entire dominion production. Saskatchewan presents a very diffrent aspect, and its status is considerably changed, from that of twenty years ago. The province came into existence a raw, unpeopled territory of a few scattered villages. To-day it has seven cities—

This, Mr. Speaker, is not one of the latest monthly reports, and the number of cities has been increased to eight by the incorporation of the town of Yorkton as a city just about a week ago.

> —80 towns, 367 villages, 301 rural municipalities, and 4,698 school districts. In 1905 there were 80 industries, with an investment of less than $4,000,000, and a production value of $5,116,782. The last census showed 645 industries in the province with an investment of $30,269,547 and a gross production value of $36,313,931. The acreage under field crops in the province in 1906 was 3,271,436, and in 1926, 20,419,175. Twenty years ago Saskatchewan was importing butter even into its rural districts. To-day it has a production valued in excess of $21,000,000 annually and is steadily exporting butter.

This goes to show the importance of Saskatchewan in relation to the development of the country and the bringing about of prosperity. If it be true, and I believe it is, that agriculture is the key to our national prosperity, then the province of Saskatchewan plays an important part in that prosperity but has not reaped the benefits which it should.

The second clause in the speech from the throne deals with one of the most outstand-

ing events of the present year, if not for many years. I agree with preceding speakers, and I was impressed as they said they were, with the part which was taken and the enthusiasm which was shown in the celebration by our people of non-British origin. Not only was this true of the children but it was also true of the adults; in many districts they were intensely interested in the celebration. Some of the best addresses that were made during that celebration were made by children not born within the confines of Canada in some cases, and in other cases by children whose parents came to Canada as immigrants twenty and thirty years ago. I believe the celebration was of wonderful value to this country in helping to produce a better type of Canadian, and a stronger national sentiment not only among newcomers but also among our own people. In many instances our people learned more of their own country through the addresses which were delivered, and the pamphlets which were sent out from headquarters for their benefit. In this connection I would offer my congratulations to the Prime Minister upon the important part which he took in making that celebration the success it was. And let us hope that when the seventieth anniversary of confederation comes it will find him Prime Minister of Canada and that the celebration that will be brought on at that time will be better than the sixtieth anniversary because he will be able to profit by the experiences of this past year.

The next paragraph of interest deals with the visit of royalty and of the Prime Minister of Great Britain to our shores during the past year. But in the short time at my disposal I do not desire to speak further of matters of general significance. I would like to deal with a few items in the address which more directly affect the province from which I come and the constituency which I have the honour to represent. As one coming from the prairie provinces I am naturally interested in the statement in the address which, dealing with the Dominion-provincial conference and its results, reads:

> In the light of the discussions at the conference my ministers are continuing negotiations with the prairie provinces for the return of their natural resources.

We in Saskatchewan have never been as vitally concerned in the matter of the return of our natural resources as the people of Alberta or even of Manitoba, but we were pleased the other day at the statement made by the Prime Minister to the effect that not only would we receive our natural resources but we would still retain the subsidies which we had been receiving in lieu of those resources since we became a province. That is very encouraging to us and we will look forward to the fulfilment of these negotiations.

The leader of the opposition (Mr. Bennett), when he spoke on the debate on the address a week ago, rather twitted the government on the fact that in 1922 and 1923 in the speeches from the throne the matter of the return of the natural resources to the prairie provinces was featured very much in the same way as it is at the present time, but that so far no advance had been made. In view of the reply made by the Prime Minister, I believe there has been more advancement during the past year in that respect than there has ever been before. But I would like to impress upon the mind of the leader of the opposition that 1922 was not the first time that we heard of the return of the natural resources to the prairie provinces. I remember in the election campaign of 1911, the Hon. R. L. Borden, who was then leader of the Conservative opposition in this house and who was later Prime Minister of Canada, speaking not only at Weyburn but at other points throughout Saskatchewan, said to the electors:

> I will give to the prairie provinces something of much greater value to them than reciprocity. I will return to them forthwith their natural resources which are theirs by right.

Needless to say he did not implement that promise. That was at the time when the reciprocity campaign was on, which meant so much to the prairie provinces. In the light, however, of what we have learned from the statement of the Prime Minister, let us hope that this question, which has agitated for a long time the minds of politicians on both sides of this house and throughout the Dominion, will soon be satisfactorily settled. Some politicians whose minds have been agitated on this question have been really concerned for the good of their province, while others again have been very much concerned for what must be said to be nothing less than ulterior motives.

I should like at this time to speak briefly on another question which is of vital concern to the people of our province and the constituency which I represent, as well as to Canada as a whole. I refer to the reduction of taxation. Some time ago I received a pamphlet much the same, I believe, as the one referred to by the hon. member for Peace River, stating that the income tax in this country should be got rid of. We in the west do not share that view; we are not agreed at least that the income tax is the first tax that should be reduced. We take the stand that when reductions are made in taxation—

and we hope that reductions will be made from time to time—those reductions will be made along lines which tend most to lighten the burden of those least able to bear the burden of taxation. We do not look upon the income tax as being that tax which should be reduced first because, on account of the liberal exemptions that are granted under the Income Tax Act, we do not see where any hardship is imposed upon anyone. A man and wife, for instance, have an exemption of $3,000 before they are called upon to pay anything towards the income tax. If they have two children they have an exemption of $4,000; if they have four children they have an exemption of $5,000, and so on. No one can claim that any great hardship is imposed, but the same thing cannot be said with regard to some of the other taxes. There are certain features of the tariff and the sales tax, for instance, which directly affect the poor man's table and the clothing of himself and his family, and I would therefore hope that whatever reductions are made this year in taxation, they will not be made on the income tax unless relief is given also along the other lines which affect the common people of our country. It is possible, however, that there will be a necessity for making a few adjustments in the income tax in order to bring it up to date.

Coupled with the question of reduction of taxation, there is that of the reduction of our national debt. It is a source of great satisfaction to the people of Canada generally that during the past four years such substantial reductions in our national debt have been made. In looking over the public accounts which were brought down the other day, I noticed a few items which are of vital importance to us at this time in dealing with the question of the reduction of the national debt. During the last four years ending March 31, 1927, that is, during the years 1924, 1925, 1926 and 1927, the reduction in the national debt has been approximately $106,000,000. That, Mr. Speaker, is more than twice over the amount of all the reductions that had been made previously since confederation in our national debt. In all the other years since confederation down to the year 1924 the aggregate reductions in the national debt amounted to between $45,000,000 and $50,000,000, or less than half what the reduction has been in the last four years. That is a source of satisfaction to the people of Canada.

But there is something more. Not only have there been these reductions in the national debt, but there have been at the same time reductions in the taxation of our people. Comparison was made a few days ago by I think the hon. member for South Wellington (Mr. Guthrie) between the debt of the Dominion of Canada and the debt of the province of Ontario, and he deplored the fact and was inclined to criticize this government because the reductions that are being made in the public debt of the Dominion do not compare favourably with the debt reductions made by the province of Ontario. But, Mr. Speaker, there is no comparison between the national debt of Canada and the bonded indebtedness of our provinces or of our urban and rural municipalities. During the years of the war the national debt of Canada was increased by approximately two billions of dollars. That amount was paid out in the prosecution of the war. It was an expenditure for which no utility of any kind was provided, whereby even a portion of the interest on our national debt would come into the treasury by way of revenue—not one dollar. On the other hand, the bonded indebtedness of our provinces and municipalities, both urban and rural, has been incurred for the purpose of acquiring some utility. Various forms of utilities are provided by the bonded indebtedness of these other forms of government.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. McKENZIE: Mr. Speaker, when the house rose at six o'clock I was discussing the national debt, and endeavouring to show that it was what might be called a dead weight debt; that is, no utilities had been provided for out of approximately the two billion dollars which was added to our burden of debt for war purposes. On the other hand we find that usually when a debt is incurred by one of our provinces or by a municipality it is incurred for the purpose mainly of providing some utility, and generally sufficient revenue is derived from that utility to pay interest on the indebtedness and to provide a sinking fund for its ultimate redemption. So that when we criticize the government for not reducing the national debt, and at the same time ask for a reduction of taxation, we ought to remember that we cannot expect the government to cut off the source of revenue by making such reduction and also reduce the national debt. The leader of the opposition (Mr. Bennett) both last session and this session has made some suggestions for the reduction of the national debt. I think it might be well for the government to follow those

suggestions, and then should the Conservative party ever regain power they would feel it their duty to continue the plan based on those suggestions and would be more diligent in reducing the national debt than they have been in the past.

Without going into any detail, I wish to endorse what has been said by the hon. member for Souris (Mr. Steedsman) and the hon. member for Lisgar (Mr. Brown) in relation to the permits which are issued at the customs ports to Canadians who desire to cross to the United States, and the difficulties that they sometimes encounter on their return to Canada. In this connection I would say to the Minister of National Revenue (Mr. Euler) that when the time comes for dealing with the final report of the royal commission on customs and excise, particularly the clause which advises a reduction of the number of ports, they consider carefully whether it would not be advisable to open more ports along the border rather than close any of the present ports. I believe that if we had more ports along the border line it would relieve a great deal of the difficulty complained of by the hon. gentlemen to whom I have referred. I am inclined to think that the report is right in the recommendation concerning railway ports and those ports situated a long way from the border, on account of the use that is now made of automobiles. In the constituency which I have the honour to represent there are three ports along the border, and I believe that in fairness to the people who desire to cross freely back and forth this number should be materially increased. Our law-abiding people should be granted every consideration, and I do not think that my proposal would in any way facilitate smuggling operations.

I had intended to discuss the immigration question, Mr. Speaker, but in view of what has been said by the minister himself (Mr. Forke) this afternoon there is no necessity for me to do so.

My final word, then, will be in regard to the tariff. Last session we did not expect the government to do anything by way of tariff reductions because of the fact that the tariff advisory board was just nicely getting into its stride. But the board having in the interim considered a hundred or more applications, I believe sufficient evidence has been adduced to prove that in fairness to the consuming public there should be some material tariff reductions. I am not going to enumerate the articles on which these reductions should be made. I endorse what has been said by other members in relation to the commodities which they think should carry a lower tariff. I hope that when the budget is brought down we will not be disappointed in this respect, or in respect to what I have said regarding the income tax.

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, I wish to join the hon. gentlemen who have preceded me in congratulating the hon. member for Hants-Kings (Mr. Ilsley) and the hon. member for Provencher (Mr. Beaubien) who respectively moved and seconded the address in reply to the speech from the throne. I do so, however, sir, with this qualification: I regret that Providence, in the shape of a snowstorm, denied me the pleasure of hearing the hon. member for Hants-Kings, but I did have the opportunity of reading his speech, and I congratulate him more warmly on his moderate tone than I do on its wisdom. He was good enough to make reference to a letter of mine which I wrote during the electoral campaign of 1926, and by quoting one paragraph of it he sought to induce this house to draw the inference that I was a sectionalist.

Now, Mr. Speaker, I want to make only one or two observations in that connection. The first is that in so far as love of Canada is concerned and faith in her destiny I yield to no one; and, secondly, it seems to me a singular fact that whereas we have in the maritime provinces—and I am unhappy to have to admit it,—extreme sectionalists who term themselves secessionists, yet they have never found recruits in the ranks of the supporters of his majesty's loyal opposition. On the contrary, many of the most prominent of those self-styled secessionists are supporters of those hon. gentlemen who sit to your right, sir, and the chief paper of the Liberal party in Nova Scotia is avowedly secessionist. And I might make this further observation, that had the hon. member taken the house a little more completely into his confidence and reviewed the whole of that letter, it would have been apparent that the point I was making to the electors was that in 1921 Nova Scotia elected a solid Liberal representation to this house, and those hon. gentlemen supported the government and praised it, but they did nothing else; while those who came from the western parts were striving, and rightly striving, for the interests of their communities. The "solid sixteen" obtained nothing; the western members secured results. The inference to be drawn from the letter is that my hon. friend had better beware the fate which befell the "solid sixteen". It would be a pity for a man of his brilliant parts were he to ally

himself and be a martyr to the same unworthy cause as the "solid sixteen" espoused.

It is not my purpose this evening to go at any length into national questions—that is, national in the sense of being purely national, because we have many domestic questions which, while they are not purely national in their aspect, while they may be regional and provincial, even sectional, yet they are national because there can be no sound health in the body politic unless the whole body participates. Consequently I feel justified, if justification is necessary, in the references which I purpose making to the particular problems that beset the province whence I come—Nova Scotia.

In the first place, let me add my voice to what the hon. member for Cumberland (Mr. Smith) and the hon. member for St. John-Albert (Mr. MacLaren) have said with respect to carrying out in full the recommendations of the Duncan report. The hon. Postmaster General (Mr. Veniot) has seen fit to make reference to the fact that these recommendations have been almost entirely implemented. I would refer him to an issue of the Financial Post bearing date November 18, 1927. After perusing it he will know, if he does not know now, that the major portion of those recommendations have yet to be implemented. And I may tell him further that the people of the maritime provinces and their representatives who sit to your left, Mr. Speaker, will not be content till those recommendations have been implemented in full.

I pass now to another matter of provincial concern in a sense, and that is the old age pension legislation which was enacted at the last session of this house.

Mr. GARLAND (Bow River): Hear, hear.

Mr. ERNST: I quite agree with my hon. friend who has said, "hear, hear", in so far as the principle of old age pension is concerned. I hope the day will speedily come when this country can do away with its poorhouses and when people who have served to the best of their ability will be taken care of by the state instead of becoming objects of charity. But I regret that the hope held out by the hon. gentlemen who supported the present government party during the campaign of 1926 has not been fulfilled, the hope that the present Pension Act would apply to the country as a whole. That hope cannot possibly be realized. There are provinces which have adopted the legislation, but I hope to show the house that there are other provinces which cannot adopt it; and if it is not adopted throughout the whole country it is inequitable and is not a fulfilment of the promise made by the supporters of the government during the election campaign. Let us take as an instance the province of Nova Scotia. I think you will agree with me, sir, that no matter how good the intentions of a province may be, no matter how desirous it may be of carrying out the provisions of the pension legislation or assisting the federal government, before that can be done two things have to be looked into: first, what will it cost; and, second, has the province the means?

Now, the scheme of the legislation, briefly, is that the federal government will assist the provincial governments to this extent: they will pay an amount not exceeding $120 a year to every indigent person of seventy years of age, provided the provincial government pays a like amount. What does that mean? In Nova Scotia, according to the 1921 census, there are about 25,000 persons over seventy years of age. It is estimated by a competent authority in the province that one-half of these would be eligible under the present pension scheme if the provincial government adopted the legislation. Assuming that 12,500 persons had to be looked after, at $120 each, it would cost the provincial treasury about one and a half million dollars annually, not including the cost of administration. Take the argument one step further. In 1925 the Duncan commission took evidence in Nova Scotia and found that the province was in straitened circumstances, owing to the fact that its most important sources of revenue had been handed over to the federal treasury, without anything to offset that loss of revenue. The report recommended that to enable the province to balance its budget there should be an immediate lump sum increase in the amount of subsidy of $875,000 a year. Since 1925 Nova Scotia has not acquired any new sources of revenue. How then, if in 1925 the province needed $875,000 to enable it to balance its budget, can the federal government be sincere in the suggestion that the provincial government assume that additional burden of one and a half million dollars in order to carry out old age pension legislation?

Mr. NEILL: If my hon. friend will permit me—who keeps those old people now?

Mr. ERNST: Those old people are kept, in part, by their sons and daughters, and others are in the poorhouse. But the hon. gentleman who asks the question overlooks this fact. It has been argued that the adoption of the old age pension legislation will do away with the poorhouses. I have made inquiry personally, and I find that many inmates are under seventy years of age. This

means duplication instead of doing away with the poorhouses of the province. But to return to my subject: I ask, how can the federal government be sincere in requesting the provincial government to incur that expense, knowing that the increase in subsidy is necessary to meet present conditions? Bearing that in mind, there is only one of two possible solutions: Either the Dominion treasury must increase the subsidy to the provincial government to enable it to discharge the additional burden, or the scheme must be made purely federal in its operation. If the government is sincere in wanting to give old people pensions it must pass legislation which will be operative from coast to coast. It is for them to choose the solution. Had they been sincere in the first place they would have approached the provinces before enacting the legislation and obtained their opinions. It would be interesting indeed to know just what took place in that connection at the recent provincial conference, both with respect to the provinces which have taken up the scheme and with respect to the provinces which have not. In connection with old age pensions the circumstances are different in the various provinces, some having a larger percentage of their population requiring such relief. For instance, in British Columbia it was estimated that to put the legislation into operation would require two per cent of the gross provincial revenue. On the other hand, in Nova Scotia it would cost between 20 and 25 per cent of the gross provincial revenue. Therefore I ask the government, and I ask the hon. Minister of Labour (Mr. Heenan) in particular, to take care of the aged poor of the country, and at once introduce a federal scheme that will be Dominion-wide in its operation. What is the use of telling the people that the provincial governments should adopt the present legislation when those governments by reason of their financial condition cannot possibly do so? I ask him to introduce legislation providing for an old age pension scheme which will take care of the poor of the country, not only in one province or in another, but in each of the nine provinces of Canada.

Mr. HEENAN: Does the hon. gentleman know that some people down in that part of the country were advising an appeal against the law as it now stands, as being ultra vires of the federal government?

Mr. ERNST: I was not aware of that, but I was aware that the chief Liberal organ of Nova Scotia asked the government to make it a federal law.

[Mr. Ernst.]

There are only two other matters with which I purpose dealing. The first of these relates to the appointment of a royal fisheries commission to investigate the fisheries of the maritime provinces and the Gaspe peninsula. That commission has been sitting for some months.

Mr. CASGRAIN: And the north shore.

Mr. ERNST: Originally it was for the maritime provinces, but I believe it has been extended since. That commission has been taking evidence in all the maritime provinces and at some points in Quebec. It has been stressed by members on this side of the house that it is due to the fishing industry of the maritime provinces that the report be tabled this year, and that action be taken to carry out its recommendations. It is also necessary that action be taken for the alleviation of the difficulties of the fishing industry in these provinces. I want to tell hon. gentlemen who do not know just why that is necessary. Some few years ago Nova Scotia was the leading fish-producing province in Canada; to-day British Columbia leads and Nova Scotia is second. But still we have in Nova Scotia some 16,000 fishermen primarily engaged in the industry, 4,000 more who secondarily derive their living from that occupation, and scattered over the whole province thousands more directly affected by it. We have on our shores some of the finest fishing banks in the world, banks to which fishing fleets from far-off France resort. We have a large number of people there who are adaptable to the industry and who love the sea. And yet despite those facts, since 1914 the fishing industry of the province of Nova Scotia has lost 10,000 men, most of whom have gone to the United States to earn their living, because they do not wish to give up their calling, and are pursuing the industry at Gloucester or Boston. Such a state of affairs calls for a remedy. The position in the eastern part of the province is particularly acute. In view of the fact that this commission is sitting and will make its report it is not for me to prescribe a remedy, but it is for me to ask that some steps be taken to improve the conditions down there for the benefit of the people of Nova Scotia and the maritime provinces as a whole.

There is another matter also relating to the fishing industry which I purpose dealing with, and then I am done. I refer to the question I brought to the attention of the Minister of Marine and Fisheries (Mr. Cardin) last session. Repeatedly during last session I urged upon him the importance of

having storm warnings broadcast to the fishing fleets. I did that because in August, 1926, two schooners from the Lunenburg fleet went down, taking with them fifty men. Last year, during the progress of his estimates through the house, the minister assured me this would be done in 1927. I regret to say that nothing was done, and in August, 1927, we lost not two but four vessels and eighty men. The disaster is all the more appalling when we stop to think that in some measure this might have been prevented if the assurance given by the Minister of Marine and Fisheries had been carried out. The hon. minister is not in his seat now, but I ask him in all sincerity not to wait for the report of the royal commission but to take action during the present session. Let the details be dealt with later on, but let him make a start now in order that such a disaster may not occur in this or in future years so that when the vessels return next autumn there will not be any vacant chairs or aching hearts.

Miss AGNES MACPHAIL (Southeast Grey): I consider it something of a hardship to follow the very brilliant young member from Queens-Lunenburg (Mr. Ernst). We come again to the consideration of the speech from the throne, a speech which I feel sure was evolved in cabinet council, a speech that was written, I feel equally sure, by the first minister, and a speech that has been read to the assembled commoners and senators by His Excellency the Governor General. In view of the whole matter it is not surprising that when we return to the House of Commons on the day following the formal opening we find the supporters of the administration rising in their places and saying that it is a very good speech. One would hardly under the circumstances expect them to say anything else. However, after reading the speech very carefully I think myself it is an exceedingly clever speech—how adroitly it says nothing at all!

I should not want to fail to congratulate the mover of the address (Mr. Ilsley) on the very excellent speech he made; I most heartily congratulate him. And as for the seconder, my hon. friend from Provencher (Mr. Beaubien); he is so delightful that one can forgive him much, and when one remembers that he was elected as an independent in 1921 and in 1928 we find him seconding the motion which embodies the scant legislative program of one of the major parties in the house, I feel he needs much forgiveness.

Mr. BEAUBIEN: May I ask the hon. member a question? Did the hon. member not vote on previous occasions for addresses in reply to speeches from the throne without having had anything to do with the preparation of them?

Miss MACPHAIL: Yes, but I did not second them. The hon. member for Assiniboia (Mr. Mackenzie), who spoke this afternoon, said: "The poor we have with us always." I think he was smugly complacent. He reminded me of an anti-Baptist minister who took as his text, "Beware of divers." The member for Assiniboia lifted the text completely outside the content in order to condone a very iniquitous system. I wonder if he would like to hear some other quotations. I think he would enjoy this: "What mean ye that ye grind the faces of the poor?" "The instruments of the churl are evil." "He deviseth wicked devices to destroy the poor with lying words, even when the needy speaketh right." "He who mocketh the poor reproacheth his maker." "Inasmuch as ye have not done it unto the least of these, ye have not done it unto me." "Depart ye unto outer darkness." I think that might be a word of warning to the Liberal party, that unless they realize that the elimination of poverty of the masses is the work of government, the outer darkness of opposition awaits them.

In the many speeches made on the address in reply to the speech from the throne much has been said about prosperity. I do not consider that adding to the wealth of the wealthy should be called, from a national point of view, prosperity. I think it is as true as when the words were spoken by John Bright to the British government that "the nation of every country dwells in the cottage, and unless the excellence of your statesmanship is impressed there on the feelings and conditions of the people, rely upon it you have yet to learn the art of government." I am glad to admit that conditions in rural Canada and in the homes of the industrial workers are slightly better than they were five years ago, but prosperity as it is understood in this house is unknown to our people. I had the privilege, and I consider it a very great privilege, of visiting last summer very many rural homes in Ontario, Manitoba and Saskatchewan, and I certainly did not find in those homes the prosperity that I read about in the speech from the throne. I found people struggling to meet debt, and worrying over taxes and meeting the payment of their mortgages. I thought the conditions were particularly bad in the province of Manitoba. I believe it was said by some member this afternoon that they no longer grew grain in Manitoba. Well, I think that was true

this year. I was thinking that the people who are in that province, when they read the speech from the throne and read the speeches that were made about it, will be amazed to learn that this long looked for prosperity has arrived. I am sure that from the feel of their pocket-book they will not know it has arrived. I visited the area between Sperling and Carman, a very wealthy part of Manitoba. I talked to people who went out there many years ago, relatives of my own, and I was told by them and by their neighbours that not more than three people in that community would be able to pay their taxes this year. I would not call that prosperity. I think one would be safe in saying that not ten per cent of the homes in rural Canada have running water, a bathroom, electric light, and the labour saving devices which the development of power makes possible. I think it is true, and I believe everyone in this house who is familiar with rural conditions will agree, there is too little comfort and beauty in our rural homes. I think too that the people in those rural homes are rebelling against that condition.

I want now to quote very briefly from Means and Methods of Agricultural Education, by Professor Leake, as follows:

> Sometimes the drudgery of the farm is endured by the mother uncomplainingly, or even contentedly; but the daughter recoils from it with a growing discontent.

A little later he says:

> The great problem, how to keep the boy on the farm, is troubling many, but it would become much less a problem if we could devise ways and means of keeping the girl on the farm. The girls are even more dissatisfied with farm life than the boys, and are leaving in greater numbers. The lessened proportion of women in the country homes of Canada was one of the startling surprises of the last census.

I do not consider that we can boast of our prosperity until that prosperity has reached the homes of the mass of the people. I think it is quite likely that the prosperity that has undoubtedly arrived in certain classes and sections of Canada will continue and will increase, until possibly it reaches boom dimensions, and will be followed by a crash or a long depression comparable to the one out of which we are just emerging. What is the government doing toward determining the cause?

I read with very great interest most, if not all, of the very delightful book which was published and sent to us by the Department of Trade and Commerce, entitled "Diamond Jubilee of the Confederation of Canada: Sixty Years of Canadian Progress." On page 60 of this work I find that the estimated gross agricultural wealth of Canada is $7,508,257,000, and the annual production on that investment is $1,600,000,000. On page 89 of the same volume I find that the total investment in the manufacturing industry is $3,808,282,981 and the annual production on that investment $2,948,545,315. These figures, in brief, mean that agriculture requires a $7 investment for $1 of production, and industry a $3 investment for little better than $2 of production. Under the circumstances we cannot wonder that we have ever with us the problem of rural depopulation. Other figures were given this afternoon by the hon. member for Peace River (Mr. Kennedy), which I need not repeat, showing that while farm lands fell $1 an acre between the years 1925 and 1926, industrial stocks and bonds doubled in value. With these facts clearly before us we can understand why it is that an intelligent and virile people are no longer willing to stay and slave under conditions which are not being remedied and with respect to which no real attempt at remedy is being made. The farmers of Canada are gradually learning that that industry which fails to assume responsibility for marketing its own productions arrives last in this race for the consumer's dollar. They are gradually—I think with increasing rapidity—remedying this by co-operative marketing. However, even though the farmers would market all their products cooperatively there still would rest upon their backs the great burden placed there partly through a bad distribution system of other commodities, and partly as a result of legislation passed by an organized minority for their own benefit.

One of the things to which I refer is the present Bank act. I notice in the Weekly News of February 3rd, printed in Winnipeg, that the Bank of Nova Scotia made a dividend this year of 16½ per cent, which seems a snug little dividend. The Canadian Bank of Commerce made a dividend of 12 per cent, with a bonus of one dollar. It was the same with other banks; evidently they are all making very great profits. Now there is a general feeling in farming districts that our banking system is not all it should be, and that some reform along the line of setting up a bank of issue and rediscount should at once be instituted. The Canadian Council of Agriculture in April, 1927, passed a resolution to that effect, which I need not trouble the house to read.

Another thing with which the farmers are very familiar is the burden which is placed on them by the customs tariff. I feel it is true that the farmers all over Canada, re-

gardless of the province in which they live, but particularly in certain provinces, are looking to the government this year to bring down a general and very considerable reduction of the customs duties on those things that go to make up the cost of living, on the necessities of life and on the implements of production. I see no excuse which will enable the government to escape this time. I am sure that if there is any, they will find it, but it does not appear to me that there is any way of escape for them. They used to say they did not know just what to reduce, because of the danger of hurting some very necessary industry; but with the sittings held by the tariff board, the very excellent work that is being done by that body and the great quantities of data now before the government on this question, I cannot for the life of me see how they are going to say that they cannot now scientifically reduce the tariff. Of course they have a majority and that to me is not a hopeful thing.

I want to speak of another matter. I am pleased to know that Canada has a non-permanent seat on the council of the League of Nations. I think we are all very glad of that. I think we feel that Canada can do a very great work for humanity by being on that council. I believe the term is three years, although I am not quite sure as to the period. I hope that Canada, as an autonomous nation, will take a strong stand on the principle of arbitration, and will express her willingness to sign arbitration treaties with as many countries as are willing to sign them with us. There is no reason in the world why we should not do it. I believe it would be appreciated by other dominions and indeed by a large section of the people in the motherland.

I noticed, and I daresay all the other members of the house noticed, a very interesting editorial published in the Citizen this morning with reference to the International Joint Commission. It pointed out that for sixteen years Canada and the United States have had a board of arbitration working, and working with very great success, composed of three members from each country and that when it sits in this country a Canadian presides and when it sits in the other country an American presides. It is an interesting fact that all the questions that have been referred to this commission have been settled by the unanimous consent of the board in a way that has been pleasing to both countries. This is something of which both Canada and the United States ought to be very proud, and something that, without boasting, we could make known to the world. One feels that a rather tense atmosphere has recently arisen between the United States and Great Britain, and this is something that we all very deeply regret. I quite understand that I am a very simple soul, but I can see no reason why a commission similar to this cannot be set up between Great Britain and the United States.

Canada through her representative on the League of Nations should take a very strong stand against the international trade in arms and armaments. Somebody ought certainly to take a stand and there is no reason why we should not do so. I find in private life that people who stand around waiting for somebody else to give them a lead are not of very great consequence. We should have initiative both as individuals and as a country, and through our representative on the League of Nations we should take a strong stand on questions on which we feel strongly. That this would be acceptable to at least some people and, I believe, to a large number of people in the motherland is quite clear from this quotation from Arthur Ponsonby's book, Now Is The Time, at page 82. He says:

> Any disposition on the part of our dominions to refuse to join in these wars of European origin will be all to the good. The dead weight of a reasonable pacifism from that quarter might have a moderating effect on the home government.

He goes on to say things even more startling than that, but I will not take the time to read them to the house. I should like to draw the attention of our government to the fact that now in the quiet and sanity of peace time there are some things which we could do to show the world that we have definitely turned our backs upon old methods of settling international disputes. One is that the government should have full control of the manufacture of munitions. I see no reason why the manufacture of munitions which are designed to bring about the death of human beings should be in the hands of private individuals who can and who have used this power for private gain. Let us now make a law stating that, if the worst came to the worst at any time in the future and we must face war, all property will be administered by the state; that is, there would be a complete conscription of wealth. I feel this would have a moderating influence upon certain elements in Canada.

In this connection, while this may seem presumption on my part, I urge the government completely to divorce aviation, which is rapidly developing along civil lines, from the military department, and not only from the military department but from military personalities. It would seem reasonable that in the

near future we should form a department of transportation which would include aviation along with railways and canals, and national highways, if we should ever have such a thing.

I should like respectfully to ask the government when they intend to change the administration of the penitentiaries so that prisoners will be given as much work as they can comfortably do in a day and will be paid a decent wage for that work. We have heard a great deal about this; the house carried the resolution some time ago—let us have the legislation. We should go further than this, because it is only one little step, as we so often say in this house, in the right direction. A real study should be made of crime; we are all coming to the place where we admit that crime is caused by ignorance, poverty, lack of culture, lack of happiness. There are many things about the prisoners that need study besides the one that I have mentioned. In our whole system of taking care of prisoners we should look to the good that we can do to the prisoner while he is detained by the state, making him feel that the state is fair to him. That is why I want him to be paid a decent wage for his work, from which wage, of course, his keep must be deducted. We must never forget, too, that the family of the prisoner possibly suffers more than the prisoner himself, and when the prisoner comes out, there should be, shall we say, a fatherly hand of the government to guide that man into civil life, to re-establish him. So many of them when they first get out try for a few days or weeks to go in what we call a straight way, and not being able to do that they very soon revert to crime. Much could be done by the state to make these things better for the men and women.

My stand on immigration is exactly what it has always been since I came to this house, and that is that if we would turn our minds to remedying conditions in the primary industries in Canada and do less talking and less spending of money bringing in state-aided immigrants to this country, we would be getting further on the road we all want to travel. We should look to the quality rather than to the quantity of immigration that comes to Canada. Any immigration policy worthy of the name should hold sacred, first, the ultimate good of Canada and, second, the good of the immigrant. Sometimes I think the good of the immigrant is not very much considered, although I may be wrong in that. Particular care should be taken to guard immigrants who do not speak the English language against fraud on the part of our loyal citizens when those immigrants first arrive in this country. I have heard some amazing stories about what sometimes happens to non-English speaking immigrants when they first arrive in Canada and especially when they have some money. If we are going to have a stimulated immigration policy we might as well face the fact now as at any other time that we must inaugurate a policy of industrial or unemployment insurance. We simply cannot bring thousands of prospective settlers to this country letting them think we are going to take care of them and then not doing it when sickness or lack of employment or lack of warm clothing in our Canadian winter comes upon them. We must make up our minds one way or the other.

A week ago I was in the city of Windsor. I passed the factory of the General Motors, which was to be opened in a day or two but was not open at that time, and I saw actually hundreds of men standing in line waiting to see if they could get a job. I was with the librarian as we had come down to look through the library, and the reading rooms were not only comfortably filled but actually packed with men whom this tender-hearted woman said she could not turn out into the cold. There they were day after day as it was one warm place in the city of Windsor.

I hope during this session something will be done towards enabling married women to establish a legal domicile. This question has been debated in this house and as it was introduced by the hon. member for Dauphin (Mr. Ward) who, I believe, is a stepson of the government, I see no reason why they should not father his bill. The Canadian Council of Agriculture deals with the matter in this way:

> Whereas the Canadian Council of Agriculture has for the past number of years passed resolutions asking that the inequality in our law as between men and women in the matter of domicile be removed.
>
> Therefore be it resolved that we reaffirm our position on this question, and urge upon the Dominion government the enactment into law of Bill 111 introduced by W. J. Ward, M.P., Dauphin, enabling a woman for purposes of judicial separation or divorce to establish a legal domicile of her own.

I hope the government will look with very kind eyes upon this matter.

In closing, let me say that I am a member of an independent group. I am not interested in party politics; I am not interested in parties, although I must say in all fairness that I am very much interested in the people who compose the parties. I am at all times ready, and indeed anxious, to support legislation which to my mind is beneficial to the

constituency I have the honour to represent —I believe that is the correct form—and to the country as a whole. I want to help with legislation, but I can only help with it if the legislation is pleasing to the people who sent me here, and knowing what I do from six years in public life I fear that the legislative program of this session will not weary us too much. I do not believe that when you have a stable government—one with a very comfortable majority, you get good government. I may be wrong; I sometimes am, but I think not in this case, and so, having in power a stable government, one with a very comfortable majority, a majority that unfortunately has been added to by men who should have known better, I do not see how we can expect a legislative program that will be pleasing to our constituencies. But at least we are here to get for the common people of Canada the best that we can, and I am here sitting ready to be pleasantly surprised by the government.

Mr. R. H. JENKINS (Queens): Mr. Speaker, permit me first of all to congratulate the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address in reply to the speech from the throne, and at the same time to extend my sincere congratulations to the hon. leader of the opposition (Mr. Bennett) who has been elected to such a high and honourable position.

The speech from the throne has in general met with the approval of the members of this house.

There were, however, those who voiced disappointment that it did not go far enough, but we presume, Mr. Speaker, that the budget which will be brought down later on by the Finance minister (Mr. Robb) will supplement for our friends what the speech apparently lacked for them. From what the Prime Minister (Mr. Mackenzie King) has said, we can safely surmise that some pleasing revelations will be made, and from our experience of the last two years we may assume that our genial Finance minister will go even a little further than we hope or expect.

The speech, first of all, bears testimony to the fact that generally speaking conditions are good in Canada. I need not enlarge upon this phase of the subject, because it has been carefully covered by the speech of the Prime Minister and others who followed him; but I would just like to quote a few words from an address delivered by the vice-president and general manager of the Dominion bank at their annual meeting a few days ago:

> This is the land of opportunity. Those Canadians whose early recollections go back to confederation days cannot, when comparing the conditions then and now, but feel satisfaction and pride in the progress that, in spite of periodical setbacks, remains as the net result of sixty years. We can now look forward with confidence to a reasonable measure of fulfilment of a famous prophecy: "The Twentieth Century will belong to Canada."

A few words pertaining to conditions in my own province may not be amiss, Mr. Speaker. As a general rule we do not have any violent swings either upwards or downwards; things run along in a very even way. We have no great wealth and very little poverty. Our people as a rule are prosperous, and are willing to work and do their fair share in the upbuilding of Canada. In his report for this year, president R. L. Cotton of the Charlottetown board of trade says:

> So far as our city (Charlottetown) and our province is concerned, the year has been one of more than usual progress and prosperity.

The fox business was especially good, and high prices prevailed not only for live foxes, but for pelts as well. This brought a very large amount of outside money into the province which tended to stimulate and help along business in every line. I think it is safe to say, however, Mr. Speaker, that as far as farm conditions are concerned, 1927 would hardly equal 1926 owing to the fact that the prices of many commodities were rather low, notably those of pork and potatoes. We have had a very fair crop of the latter commodity, and thousands of bushels were exported to the southern United States for seed purposes, but the price prevailing was rather low and would not give the farmers a very great leeway over cost of production. I am thankful to say, Mr. Speaker, that the warehouse facilities provided at Charlottetown, Summerside, and Georgetown for the handling of this particular commodity are of great assistance to our people and we deeply appreciate the consideration of this government in relation thereto. Mr. Boulter, secretary of the potato growers' association in an interview with the press a few days ago stated:

> The volume of business during the fall season ending December 31, 1927 far exceeded that of any entire year of business since the association was organized. Considerably over one million bushels of potatoes were handled and twenty thousand bushels of turnips. The open fall aided greatly in the movements by water, the association having loaded in all sixteen steamers which would average over fifty thousand bushels per steamer. Three ports were used in loading, Summerside, Charlottetown and Georgetown. Without these added warehouses it would have been impossible to have moved such a large quantity by water. The Georgetown warehouse proved of exceptional value, as the seed shipped from this

port was for points south, whose growers would not under any consideration accept early shipments of seed. The fact, therefore, that the association was able to make these late shipments through Georgetown not only held the territory which they opened up last year, but allowed them to reach more distant markets, going even into Tennessee and Alabama, and seed shipments by water next year will in all probability be made as far as New Orleans in the gulf of Mexico. Many of our potatoes were also exported to Cuba and Canadian markets as well.

The sixtieth anniversay of confederation was duly celebrated in our province in common with other parts of the Dominion. We have a loyal and patriotic people and the celebrations were of a very high character

The speech from the throne refers to immigration. So far as Prince Edward Island is concerned we can only assimilate a limited number and they should be of a class of farmers who have some means at their command and who can go on the land, pay for it, purchase agricultural implements and not be hampered by debts of any kind. People of this sort are bound to make good, provided they are willing to work. We may also have a limited demand for farm help, but what we need above all else is to keep our own people on the farms. In this connection I should like to quote from the speech made in this debate the other day by the hon. member for North Timiskaming (Mr. Bradette), who made a speech that is well worth reading. At page 177 of Hansard he says:

> Let me go a step further. I do not believe we shall need so many immigrants, and I am sure we will not lose our population to such a great extent, if the government will do something to see that young Canadians are offered some inducement to go on the farms and stay there. As you know, the bright lights of the cities, with their theatres, dance halls and so on, are wonderfully attractive even to the urban population, so it is no wonder that the young people are attracted from the country.

I should also like to quote again from the address made by the vice-president and general manager of the Dominion bank at their annual meeting. He said:

> With respect to the important question of immigration, there is some encouragement in the fact that 1927 figures were the largest since 1913, and various colonization enterprises are proving successful, but the number of settlers is still very far short of our needs and capacity, and a more energetic policy by our government is required to revive the pre-war flow of newcomers. The shift of population from the country to the city in the older provinces is a constant and partly inevitable condition brought about because the increased use of machinery in agriculture releases man-power, and also by the concentration of mass-production industry in the large labour centres. An additional, and a regretable, cause is that many young men born on the farm seem not to care for the life. Our government should do everything possible to encourage our people to stay on the land.

One of the hon. members who spoke in this debate tonight referred to the fact that the young ladies were also dissatisfied. Our government should do everything possible to encourage the people to stay on the land. Some encouragement should be given to the sons of farmers to settle on the land, and if a scheme were devised whereby they would receive assistance along lines such as that of the soldier settlement scheme with a loan of money and easy payments thereon, it would I believe be a great deal better than making experiments with people who are not suitable to our country, and who will not make good. We have had quite a number of immigrants coming into our province in past years. Some of them have succeeded, and others unacquainted with farms conditions made a failure with us, the same as they would anywhere else.

At a meeting in Charlottetown the other day one of these gentlemen who came out from the old country stated in an address before the Rotary Club that he had an easier time on Prince Edward Island than he ever had at home. He was able to put a few dollars in the bank, something he could not do in the old land. This gentleman stated that it was detrimental to both countries to bring out unsuitable men, and when I see in Prince Edward Island, he said, big farms not half cultivated, I am convinced we should have more settlers of the right sort. He said:

> Coming to the Island is like coming home. The scenery is much the same. Loneliness and homesickness are not felt so much here. The people are kind and sociable. There are opportunities on the island for practical farmers with a little capital. In the old country many are just making a bare living on small holdings. The taxes and rent are a great handicap. For instance on 30 acres of land a man pays $450 per year rent and $100 in taxes.

This amount seems rather exorbitant, nevertheless it is what this report states:

> The farmers in the old country must be convinced first that it is to their advantage to immigrate. They will hesitate before selling their stock and home unless they know exactly how they will fare in Canada. The immigrant agent must tell them the plain truth about conditions here, tell them what the land is like, and what it will cost.
>
> In the old country the farmers work from 12 to 16 hours per day. There is no need of it here. He had an easier time than ever he had at home, and was able to put a few dollars in the bank, something he couldn't do there.

While here there is good land, with a good and easy market for the produce, handy to neighbours, with horses and barns ready for the settler and with land already cleared, there is an impression in the old country that Canada is a wild country overrun by wild beasts.

The hon. member for Southeast Grey (Miss Macphail) has just emphasized what has so often been emphasized in this house, that what we need is quality and not quantity.

The speech from the throne also refers to the fact that so far as the maritime provinces are concerned, the increases in subsidy recommended by the Duncan report will be continued this year. We firmly believe however, Mr. Speaker, when our claims are fully considered, that as a province we should receive much greater consideration in regard to subsidy allowance than we are receiving at the present time.

If the Prime Minister and his government in April 1926 had done nothing else but appoint the royal commission on maritime rights, they would be entitled to the gratitude not only of the maritimes, but of the whole Dominion; for a chain is only as strong as its weakest link, and our country between the two oceans is indissolubly bound together; otherwise the spirit and meaning of confederation could not possibly be carried out. It has been said that the maritimes believe that confederation must be held together by sentiment, by the strong influence of a truly national spirit, assured and supported by an equitable federal agreement. It is contended that if Canada is to become a nation imbued with a truly national spirit selfish sectionalism so often displayed in the past must disappear.

It was to bring about such a spirit, and at the same time see to it that the Atlantic provinces were placed on a level with other parts of Canada with respect to trade and commerce, transportation and all that enters into progress and development, that the Prime Minister and his cabinet conceived and carried out the idea of the royal commission on maritime rights. If the report of that commission will do nothing more than educate the people of the maritimes and the other provinces of Canada on this vital and all absorbing problem, then it will have done much in the way of benefiting trade and commerce and more closely cementing the bonds of confederation.

As was believed by all who understood the people down by the sea, the Duncan report confirmed the view that the faith and interest of the maritime provinces in the general prosperity of Canada are beyond question—for our people adhere sincerely to the opinion that the solution of the problems of our own and the other two provinces by the sea, should and can be found within the policies of this great Dominion.

The terms and conditions upon which Prince Edward Island entered confederation in 1873 contain the following significant provision:

> Efficient steam service for the conveyance of mail and passengers to be established, and maintained, between the island and the mainland of the Dominion, winter and summer, thus placing the island in continuous communication with the Intercolonial railway and the railway system of the Dominion.

Now, Mr. Speaker, it is well known, for it has often been stated and reiterated on the floor of the House of Commons, that this, the chief provision of the confederation pact so far as the island is concerned, has never been implemented according to the letter of the bond. So far as communication is concerned I believe that the government will carry into effect the recommendation of the Duncan commission, and provide another car ferry. Three years ago on the floor of this house I advocated that this matter should be dealt with, and I understand that the government for some time, through the Department of Railways, has been gathering information and making preparations for this desired improvement. We are sincerely hopeful that the Minister of Railways (Mr. Dunning) will see fit to place, if not in the main estimates at least in the supplementary ones, an appropriation for this much needed work. These facilities will have a tendency to keep our people in the province and will give us an added sense of security, more especially so far as trade and commerce is concerned; because, Mr. Speaker, you may produce the finest products in the world, but if you cannot market them in the best condition and when the demand requires, they will certainly depreciate in value. Before our car ferry service was installed, it has been proved from statistics that our farmers realized a little more then 50 per cent of the value in other parts of Canada for their produce, owing to the fact that they were compelled to ship everything out and glut the market before close of navigation. To-day we can ship out practically at all seasons, and with the fine quality we produce we are able to command excellent prices for our products, in the markets not only of Canada but the United States as well.

The fisheries of our province are worth annually well over a million dollars. The marketed value for the past few years has been: 1924, $1,201,772; 1925, $1,598,119; 1926, $1,358,934. The figures for 1927 are not yet available. Although the catch was about the

same as that of the preceding year, its value will be somewhat less owing to the lower prices prevailing. The lobster catch in 1927 was 62,233 cwts. as compared with 66,298 cwts. in 1926. This very important fishery is hardly holding its own. Prince Edward Island has adjacent to it fishing areas of great producing capacity, and there is no question that if better prices could be obtained such fisheries as those of cod, haddock, herring and mackerel could be largely developed.

The oysters of Prince Edward Island are, in quality, second to none, but the fishery has now dwindled to about a quarter of its proportions of years gone by. For instance, in 1901 the catch was 24,972 barrels, whereas in 1927 it was only 4,064 barrels. There is no question but that the beds were fished too heavily in years gone by, but the main cause for the reduction is that several years ago a disease broke out amongst the oysters in the far-famed Malpeque bay area, which resulted in the death of the oysters on all the beds in the bay proper. Oyster farming has proved itself just as feasible as land farming, and, where conditions are favourable, it has shown itself to be much more remunerative. The production of oysters under natural conditions about the island should leave no room for doubt that oyster culture would be successful there, if properly conducted. Keeping in view the areas that are regarded as suitable for oyster culture, there are the best of reasons for believing that, if properly conducted, the oyster fishery of Prince Edward Island could be made many times more valuable than it ever was, or is at the present time.

The situation is complicated by a division of jurisdiction, as while the regulation of this fishery comes under federal jurisdiction, the leasing of areas suitable for oyster farming is a provincial matter. It is understood that negotiations have been in process with the provinces for some time, whereby the full jurisdiction will be placed in the hands of the federal government, which has intimated that it is prepared to do what may be regarded as necessary to bring about an industry in oyster culture and cultivation, if such transfer of jurisdiction is made. I sincerely trust that this matter will receive the immediate consideration of the federal and our own provincial authorities.

As regards the fishing industry, I want to say how deeply indebted we are to this government for the appointment of the fisheries commission. The fishermen deserve every consideration from this house; they work hard and their hours are long and arduous. I do hope that when the report of this commission is submitted to parliament it will be given the most favourable consideration, because it is my sincere belief that our fishermen as a class have not in the past received that treatment which they should have been given.

In connection with our transportation problems, it is pleasing to note that the Postmaster General (Mr. Veniot) in cooperation with the Department of National Defence has placed in operation a weekly air mail service between Moncton and the Magdalen Islands. This service passes right over Charlottetown, and I think it would be a fine thing if the postmaster general could arrange to have any delayed mails which may be held at Moncton delivered promptly at Charlottetown. We are looking forward at no distant date to the establishment of a daily air service between the island and the mainland. This no doubt will assist the people of my province in some of their difficulties.

Our province never had crown lands in the general meaning of the term. Its lands were held by proprietors who had received them in grant from the British crown, and who leased them to settlers. In 1853 the legislature of the then colony empowered the government to purchase the land from the proprietors and to sell it outright to settlers. Before confederation approximately three-fifths of the land was bought from the proprietors either by the government, which paid for it out of current revenue, or by the tenants themselves.

One of the terms and conditions of our province's entry into confederation was:

> That as the government of Prince Edward Island holds no land from the crown, and consequently enjoys no revenue from that source for the construction and maintenance of local works, the Dominion government shall pay by half-yearly instalments, in advance, to the government of Prince Edward Island, forty-five thousand dollars per annum, less interest at five per centum per annum upon any sum not exceeding eight hundred thousand dollars, which the Dominion government may advance to the Prince Edward Island government for the purchase of lands now held by large proprietors.

Advances were drawn by the province against the sum allowed in the foregoing provision to nearly the full extent for the purpose of buying out the remaining absentee proprietorships and transferring the lands to their own settlers. In the nature of things, the transaction was a costly one to the province, from the point of view both of its administrative expense and of loss of interest as well. There was, in addition, a net cash loss of $190,000 on the principal outlay. The government submitted to the Duncan commission a detailed claim, showing a very considerable gross loss on these land transactions.

In a book called Confederation Documents I find that a conference was held on December 4, 1866, at Westminster Palace Hotel, London, England, of delegations from the provinces of Canada, Nova Scotia and New Brunswick. This conference was held for the purpose of arranging terms of union of those provinces. There were six members representing Canada, headed by Sir John A. Macdonald, Attorney General and Minister of Militia of Canada, five representatives from Nova Scotia and five from New Brunswick. At this conference the following resolution was passed and ordered to be forwarded to the Right Hon. the Earl of Carnarvon, Secretary of State for the Colonies:

That in case the colony of Prince Edward Island should hereafter desire to join the confederation of Canada, this conference recommends that the government of the confederation should deal with the question of compensation for the proprietary rights in the island in the most liberal spirit possible.

This resolution, Mr. Speaker, only goes to show that it was the desire of all parties to deal with our province in a fair and equitable way, and as the resolution states, in a most liberal spirit. That, I take it, is the spirit of confederation, and I firmly believe the people of this Dominion are willing to treat our province in this way.

We are sincerely grateful for the many recommendations made in the Duncan report which have been carried out. My hon. friend said that very few of these recommendations had been implemented. He is wrong. There are a few things which will have to be attended to in order to implement that report in full; two of these I have already alluded to, nomely, the increase in subsidy and the improvement of the car ferry service between Borden and Cape Tormentine, but we have yet a great deal to be accomplished so far as our railway facilities are concerned.

From the different parts of the province our people are crying out for better railway accommodation and also for branch lines in order that they may market their produce in a better and more efficient way. Our province is the most densly populated in the Dominion, and for this reason the transportation facilities should be increased. The hon. member for Queens (Mr. Sinclair) and myself have already presented a petition to the governor in council with regard to these branch lines, and I am hopeful that we shall receive some consideration. I understand that the member for Prince (Mr. MacLean) needs branch lines in his county, and no doubt he will later on present his case. In connection with a request for one of these branch lines, I have received a letter showing the amount of tonnage that might be expected on a section of the proposed railway. With the permission of the house I desire to put on Hansard this letter, which is signed by reliable men. It reads as follows:

In connection with the petition forwarded to the lieutenant governor in council, praying for a railway, from the petitioners of Rustico—North and South Cavendish, Mayfield and New Glasgow, we hereby submit the following estimate of business per year:

Exports

	Tons
Butter and cheese	135
Codfish	1,000
Lobsters	280
Mackerel	150
Herring	630
Smelts	50
Potatoes	22,500
Turnips	300
Hogs	500
Eggs	180
Poultry	685
	26,310

Imports

Laths and lobster supplies	280
Salt	300
Gasoline	140
Empty casks and rope, etc	30
Fertilizer	2,100
Coal	3,500
Merchanndise—	
(Dry goods, groceries)	1,330
	7,680

When the railway budget is before this house we shall take the opportunity of asking for a statement from the Minister of Railways (Mr. Dunning) regarding proposed railway improvements. I take the liberty of giving him this notice so that he may be prepared. On one branch of the railway system, known as the Murray Harbor line, we are running on the old narrow gauge, and this is a matter which should receive the serious attention of the railway authorities. The rolling stock is antiquated and out of date, and goods shipped on this particular line must in many cases be rehandled at Charlottetown, thus adding extra expense and damage to goods as well. I plead with the railway management that this matter shall receive immediate and careful consideration and, more than that, immediate action.

When all the recommendations, Mr. Speaker, of the Duncan report are carried into effect, no longer shall maritime rights be before the country. All that our people have asked for is justice under the confederation pact. This independent commission has acted with wisdom and discretion, and I am satisfied that the results will meet with the

approval of all. I believe the spirit of fair play and justice which actuates hon. members of this house will see to it that the people of my province shall equally enjoy all rights and advantages along with the rest of Canada, and so, Mr. Speaker, we shall have a happy, contented and prosperous people.

Mr. D. J. COWAN (Port Arthur-Thunder Bay): I desire, Mr. Speaker, to add my voice to those of other members who have joined in felicitating the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address in reply to the speech from the throne. This is the first time I have heard a speech moved and seconded in this house and I take it for granted that the words of commendation which have been uttered by hon. members are well merited.

At the outset I wish to make a few observations concerning a matter referred to in the speech of the hon. member for North Timiskaming (Mr. Bradette) regarding the Transcontinental railway. In the constituency I have the honour to represent there are several organized municipalities similar to those referred to by the hon. member. They do not obtain any taxes on property owned and operated by the national railways, and that gives rise to a peculiar situation. Some municipalities do collect from that railway which, prior to the formation of the Canadian National system, was known as the Canadian Northern. The town of Sioux Lookout, which is a thriving town in northern Ontario very close to the present development in the Red lake and Woman lake mining areas, is not in the fortunate position of obtaining taxation from that railway, and I desire to join with the member for North Timiskaming in urging upon the government, and particularly upon the Minister of Railways, that they take up this question at once and see to it that justice is done these organized municipalities.

In the speech from the throne reference is made to the successful inauguration of an air mail service between Rimouski and Montreal. Again I would suggest that, if that service is operating to the satisfaction of the department, an air service be established in the northern part of northern Ontario where it is impossible to secure railway communication and where the people, especially in the mining areas, are dependent for success and for the speedy transaction of business upon the early receipt and departure of mails.

There is one other matter not referred to in the speech from the throne but which the right hon. the Prime Minister (Mr. Mackenzie King) referred to and that was the development and construction of the international waterway, a subject by the way which appeals strongly to the people of the community in which I reside, namely, Port Arthur. It is particularly true that the towns and communities along the international waterway are interested in the development, and in the limited time at my disposal at this time I do not intend to go into any lengthy dissertation on that particular subject. Later during the session I hope to have an opportunity of saying a few words in that connection, but at this time I simply desire to say to the government that I think I represent the aspirations and thought of the people of the country when I urge that there should be no undue delay in pushing forward the construction of the international waterway. It will facilitate the movement of grain and other produce and traffic from the west, and now that the Welland canal is near completion—I understand it will be ready for use in 1931—every effort should be made to advance by all possible means the construction of the main portions of the international St. Lawrence waterway.

It is my purpose to-night to bring to the attention of the house a matter which I suggest has been entirely neglected by the government for the last six or seven years, a matter which pertains particularly to the district I represent. I think moreover it is of interest to the whole of Canada—I refer to what is known in our particular locality as the iron ore industry. I do not have to elaborate on this question at any great length, because I am sure that those who are readers of the newspapers and are interested in the development of that broad stretch of country between the east and the west of Canada are aware of the great development that is taking place there, and it is our hope that the iron ore industry in particular will receive attention from the government. The great area to which I refer, extending as you will notice from the Rouyn district of Quebec right through the Pre-cambrian shield of northern Ontario and through Manitoba to Saskatchewan, is the most highly mineralized area in the world. Geologists tell us that in that formation is found all the great mines that are in existence to-day. There is the Mysore in India, the Rand in South Africa; and that same formation is found in Norway and Sweden and in the northern part of Germany. Of this great Pre-cambrian shield ninety-five per cent is in Canada and five per cent in the United States, and in that five per cent in the United States we find the great Mesaba

range upon which to-day the prosperity of the United States in regard to steel production depends. Very little of that whole ninety-five per cent of the Pre-cambrian shield that exists in Ontario has been prospected. Surely if the proper means were taken by the government that whole area could be developed and we should find within it unlimited wealth.

I subscribe to the words uttered by the hon. member for Winnipeg South Centre (Mr. Thorson) when he stated that he hoped that in northern Manitoba would be found a continuation of the same mineralized area that we have in northern Ontario and northern Quebec. Apparently there is some ground for his belief that such is the case, for you will notice that in the last year or so the development of the Flin Flon on the boundary of Saskatchewan and Manitoba has been one of the greatest discoveries of this age. I sincerely hope that the area to which the hon. member for Winnipeg South Centre refers will enjoy equal prosperity with that of northern Ontario. Why do I bring this subject before the house? It is for this reason: There has been development in the past in this particular area. Up to 1921, of the iron ore smelted in Canada nearly thirty-three per cent was obtained from Canadian mines and smelted in Canadian furnaces, the balance coming from the United States. To-day there is not a single once of Canadian ore mined or smelted in Canada. Every ton that is brought in comes either from Newfoundland, which now provides at least thirty-three per cent of it, or from the United States. Surely the proposition does not require argument that we should develop our own resources. There is no doubt the mineral is there. There is no doubt that it should be developed.

You can apply the same reasoning to the pulp and timber resources of that north country. One thing which has helped Canada in regard to the balance of trade is the development of the pulp and timber resources of Ontario, and if the mineralized area of northern Ontario were developed to the same extent it should aid us in presenting a more favourable balance. The remedy I intend to suggest is not a new one; it has been adopted in the past. The government of the Right Hon. Sir Wilfrid Laurier introduced legislation in this regard in 1896. I heard one hon gentleman to-day state that Sir Wilfrid Laurier suggested that the twentieth century belonged to Canada. I think he must have had an idea that the Conservative party would be the leaders of the government during that century, and if they had been I have no doubt that this industry would not have been allowed to languish as it has, particularly during the last six years.

In 1898 a bounty of $3 per ton was made payable on pig iron, puddled bars, steel billets and ingots, and also a bounty of $2 per ton on pig iron produced from foreign ores. This did stimulate the industry, and progress was rapid. In 1904 the bounty was made applicable to the production of rolled round wire rods and certain other manufacturers of steel, and in 1909 to pig iron and steel produced by the electric process. From time to time the amount of the bounty was varied, and in 1912, the sum of $17,000,000 having been paid out in establishing the industry, all forms of direct government assistance were withdrawn. This ought to convince our friends to the right of the Speaker that if in that period of time to which I refer there was prosperity, surely the enactment of legislation now providing a bounty would make us more prosperous. In 1921 the last iron ore was produced in Canada and there had been paid out in bounties up to 1911 the sum of $17,000,000. For the next seven or eight years no further bounty was paid, and by 1921—which synchronized I think with the elections of that year—not another ton of iron ore was being produced in Canada. From that day to this there have been brought into Canada annually 750,000 tons of ore, one-third from Newfoundland and the other two-thirds from the United States. As I said a moment ago, it is a self-evident proposition that our own resources should be developed and manufactured into the finished article in Canada by Canadian labour.

The following companies have furnaces in Canada:

The Algoma Steel Corporation, Sault Ste. Marie, Ontario.—Has four furnaces with a combined capacity of 1,450 tons of pig iron daily. During 1922 they operated one furnace in January, two for the next seven months, and one only for the remainder of the year. This furnace is worked to only one-fourth of its capacity. It is situated within a few miles of where the greatest deposits of iron are found.

The Atikokan Iron Company, Port Arthur, Ontario.—Has one furnace of 175 tons daily capacity, which has been idle since 1911.

Canadian Furnace Company, Port Colborne, Ontario.—Has one furnace of 325 tons daily capacity.

Midland Iron & Steel Company, Midland, Ontario.—Has one furnace with capacity of 120 tons per day. Idle since October, 1919.

Parry Sound Iron Company, Midland, Ontario.—Has a furnace at Parry Sound of 90 tons daily capacity. Idle since October, 1919.

Standard Iron Company, Deseronto, Ontario.—Has one furnace of 60 tons daily capacity, that has not been in operation since June, 1919.

Steel Company of Canada, Hamilton, Ontario.—Is operating two furnaces with combined capacity of 750 tons daily.

The Canadian Steel Corporation.—Has erected at Ojibway, near Windsor, two large blast furnaces, but has not yet operated them.

As I have pointed out, millions of dollars have been invested in these furnaces, and with the cessation of the bounty formerly voted all of them are idle except one. Surely that is a striking statement to make in regard to an industry which should be one of the basic industries of Canada, and one which is so fraught with the possibilities of making this country one of the great manufacturing centres of the world. Because after all, steel and iron are basic products in the manufacturing industry in every country. The iron and steel industry is one which has helped to make the United States so exceedingly prosperous, and if proper methods were applied here, I have no doubt the same result would be secured in Canada.

Now the remedy which has been suggested for the present condition of affairs was suggested by the commission appointed by the Drury government in 1923. That commission brought in an unanimous finding and reported to the Ontario government in favour of providing a bounty on the iron ore mined and put through the furnaces of Ontario. They said, moreover, that at least one-half of the bounty should be paid by the Dominion, seeing that the Dominion would obtain direct benefit from the re-establishment of the industry. May I say that the Ontario legislative assembly has already put in force—I think they did it two years ago—legislation implementing that report, so that the province stands ready to-day to assist this government if it will only provide the other half of the bounty. It may be argued by those who are not interested in the development of our iron ores, or in the metal industries of Canada that such a bounty should not be granted. May I point out that bounties are already granted under various names and disguises? For instance, experimental farms are established at government expense to aid agriculture. Thoroughbred stock is distributed at the government's expense with the same object in view. To perpetuate the fishing industry hatcheries are maintained by the government at various points, and the credit of the province of Ontario is pledged for the production of cheap power. These are all bonuses of one kind or another, and I claim that the iron ore industry should be put upon the same basis.

I was very much struck with the remarks of the hon. member for Bow River (Mr. Garland) in favour of granting assistance for the transportation of Alberta coal. That is just as much of a bonus as the assistance I am urging in aid of iron ore. The hon. member is asking that Alberta coal be transported at a reduced rate. Such assistance as that should not be considered as anything else than a bonus. I have every sympathy for the eloquent member for Bow River in the address which he made. I believe that his appeal is sound, but I maintain that the claim I am now advancing is equally entitled to consideration. I do not think it is necessary to labour the subject any further. Where formerly hundreds of tons of iron ore were mined in this country, not an ounce is now brought forth. That statement in itself should be sufficient to commend the proposal I am making to the favourable attention of the government.

What benefits would result if the proposed aid were granted? In the first place the area to which I refer is sparsely settled; it extends from North Bay to the Manitoba boundary. Everyone knows that where a mining camp is established a town springs up immediately. Hon. members who have visited northern Ontario must have been struck with the Hollinger mine, which employs 3,000 people. That means support for at least 10,000 men, women and children. If only one mine were developed it would amply repay the government for the expenditure involved. It would create a more favourable balance of trade, because we are to-day importing from the United States and Newfoundland from two to three million dollars of iron ore per annum. Moreover the revival of this industry would provide employment for our own people. We have heard a great deal in regard to immigration. I am not so much concerned about immigration, although we need an increase of population. What I am interested in is the conservation of our population, the providing of an opportunity in Canada for the employment of our own people, retaining in this country those people who to-day are going to the United States on account of the pay cheque there being larger and more likely to be realized.

So I say that in this northern country mining must play no small part in the general

plan of Canada's development. Providing our own iron ore from our own resources is a splendid objective in itself, but even that may be considered only as a means to an end if we can colonize and develop our vast northern territory. In doing so we shall assist in solving our railway problem and in bridging the gap which exists between eastern and western Canada. Hon. members know very well that by developing our iron mines the farming community will be greatly aided because it will establish a profitable market for the commodities produced on the farm, to say nothing of the all-round development to which it will conduce. Therefore, Mr. Speaker, this is a matter which in all fairness the government should seriously consider in order that they may re-enact the legislation which existed from 1896 to 1921.

Mr. A. A. HEAPS (North Winnipeg): Two-thirds of the group to which I have the honour to belong have already spoken in this debate, and the only excuse I have for rising at this particular time is the fact that we represent a much larger number of electors than might be inferred from our numerical strength in this house. In the last federal election almost 50,000 electors throughout the Dominion cast their ballots for Labour candidates, so that hon. members can understand how few they are represented by, when there are only three Labour representatives in this house.

Since the opening of the session I have sat very patiently listening to speeches delivered by hon. members from all parts of the Dominion. I have listened to members from the maritimes outlining the conditions that exist in that part of the country. I have listened to their tales of woe and of the bad conditions that prevail there. The mining industry is to-day in a very bad state in Nova Scotia and in other parts of eastern Canada. The men are living there by the grace of their friends and whatever they can get from other sources. The mines are operating two or three days per month, and even at the present time a royal commission appointed by the Nova Scotia government is investigating two of the mines in order to find out why they are not operating on a better basis. That goes to show that the Duncan report of 1925 has not proved to be a solution of the mining problem in that province; conditions to-day being just about the same as they were prior to 1925.

I have listened this evening to the story of conditions in the fishing industry in Nova Scotia. I should like to have heard a little more from the hon. member for Queens-Lunenburg (Mr. Ernst) as to why the fishermen there receive approximately one cent per pound for their fish and by the time it comes to the consumer the latter has to pay anything from fifteen to thirty times as much for the same commodity.

I have also listened to members from Ontario telling us about the bad conditions that exist in that province, the large amount of unemployment in Toronto for instance, and the bad conditions among the farming community in the southern part of Ontario. I have listened to-day to the Minister of Immigration (Mr. Forke) telling us about the bad conditions amongst the farmers in Manitoba. The provincial government of Manitoba have even asked the Dominion government to assist in giving relief to the unemployed in the urban centres of that province. From Saskatchewan we have heard similar stories regarding the conditions of the farmers in that province.

When we come to Alberta we have heard similar stories from hon. members who represent that province in this house. We have been told about the bad conditions of the miners, about the unemployment in the cities, and the demand for a reduction in taxation on the necessaries of life. I listened the other day with a good deal of interest to the hon. member for Bow River (Mr. Garland) who discussed the coal question and who demanded a national fuel policy. The same demand for a national fuel policy has been made by members in other parts of the house, but I have not yet heard it stated what they mean by a national fuel policy. Do they mean the nationalization of the mines in this Dominion, or do they mean something else?

I desire to make one or two remarks in connection with the Alberta coal situation, because one of the large consumers of Alberta coal is the province of Manitoba. Ten years ago Manitoba was using very little, if any, Alberta coal. At the present time, as a result of the efforts of the Alberta government and efforts made in other directions, the domestic consumption of Alberta coal in Manitoba is approximately ninety per cent of the total. For that reason any action that is taken by the Alberta government or by this house in regard to the coal question, and particularly the Alberta coal question, is bound to be of interest to the people of Manitoba. The freight on coal is something which the people of Manitoba are interested in, and if the Dominion government or the railways are going to give a rate of $6.50 per ton on coal that is moved from Alberta right down, for

instance, into the centre of Ontario, then the people of Manitoba will expect equal treatment to that given to the people of that province. If a ton of coal can be moved for $6.50 from Alberta to Ontario, there is no reason why it should cost $4.50 to move a ton of coal from Calgary to certain parts of Manitoba.

Alberta has thought fit at a recent session of the legislature to impose a tax of five to nine cents per ton on all coal mined in that province. So far it has not been able to collect the tax because certain actions have been taken in the courts to test the legality of that legislation. As one representing the province of Manitoba I protest against legislation of that character. I cannot understand how a Farmer government, who have Farmer representatives in this house and who make speeches here objecting to taxing the necessities of life, can themselves tax a necessity of life for people in other parts of the Dominion of Canada. That tax of five to nine cents per ton which the Alberta government is endeavouring to impose upon coal mined in that province will add twenty-five cents per ton to every ton of coal sold, and will make it just so much more difficult for the mines of Alberta to compete with the mines of the United States. On the other hand the Alberta government come to the Dominion authorities and ask them to reduce freight rates. Before they do that they should take every possible step to see that Alberta coal is mined in the most efficient way and given to the people at the lowest possible rates.

Another thing I should like to see the provincial government of Alberta do is this: For many years efforts have been made to find out the actual cost of mining a ton of coal in many of the Alberta mines, but so far those efforts have been unsuccessful. Apparently nobody can tell us exactly what it costs to mine a ton of coal in Alberta. It appears from the knowledge I have obtained that an obstacle has always been created when the question is one of getting this information from the proper authorities. I believe, however, the cost of coal at the mine mouth at Alberta is approximately $4.50 per ton, and I want to know why coal mined under similar circumstances in the United States, where wages are slightly higher than they are in Alberta, can be mined for one-half the cost in that province. The question arises in my mind whether they are using the most efficient methods for the production of coal in Alberta. I think when people in other parts of the Dominion are called to the assistance of Alberta, they ought to be given these facts, and it would not be amiss if the provincial government of Alberta attempted to furnish these facts to the people of the Dominion.

As I stated a few minutes ago, I have listened to speeches which various hon. members have delivered describing conditions existing in their respective provinces, and with the exception of a few speakers from the government side not a solitary member has spoken of the prosperity which, it is claimed in the speech from the throne, prevails at the present time in Canada. Each member has got up and told of the conditions that prevail in his own particular province, and it is very hard for me to reconcile the speeches made in this house, coming from the government side, from the opposition side and from the group in this corner, with the talk of prosperity in the speech from the throne. If there is prosperity, then I am sure that it is not reflected in the speeches that have come from every part of this chamber.

The speech from the throne deals very little with the future; it deals with the past. It is not a speech that looks forward; it is a speech that looks backward. I believe that statesmanship, as a rule does not take the backward view, but the forward view.

The things that are in the speech from the throne I do not regard as of great and vital consequence. The important part of the speech refers to the appointment of ministers to France and Japan. I am sure that the unemployed of Winnipeg, the semi-employed miners of Nova Scotia, the fisherman who gets a cent a pound for his fish, and the unemployed in all parts of this Dominion, will feel that there is very little to rejoice over in the announcement that Canada is going to send ministers to France and Japan. That will neither fill their empty stomachs nor tell them where their next meal is to come from.

One omission from the speech from the throne, involving a matter which I think is of even greater consequence than the question of the appointment of two ministers abroad, is any reference to the reason why the Canadian government broke off friendly relations with soviet Russia. Both this session and last session we heard a great deal about the status of Canada. I am no great specialist on that question and do not understand it as deeply as some hon. members of this house do. But I am given to understand that one reason why the Dominion government broke off relations with Russia was because Great Britain had done

so. The only excuse of this government, if I remember correctly, was that it had followed the example of Great Britain. During the last session of this house we were told that Canada had achieved a new status at the last Imperial conference, and yet almost immediately that new status had been achieved, at one of the very first opportunities the government had of showing that new status, it meekly followed the example of the British government. There was no reason why Canada should have broken off relations with Russia; and besides, I think it was a rather dangerous policy for the government to pursue, for this reason: Supposing within the very near future another government comes into power in Great Britain—as is very likely; for I think it is generally admitted that the only reason the Baldwin government is being kept alive is that it wants to save funeral expenses—supposing a new government comes into power in Great Britain, is the Canadian government going to follow that new government in its foreign policy? If it is, then this government is likely to change its attitude every few years. The government ought to realize that in Great Britain at the present time there is a distinct cleavage between the two major parties in the House of Commons as to what their foreign policy and their relations with the other powers of the world should be.

It perhaps would be unfair if, while I am on my feet, I did not say a word about the Conservative party convention in Winnipeg last fall. I come from that city, and I was naturally very much interested in that convention. I must apologize to many of my friends in the Conservative party for the fact that I was not in Winnipeg at the time; I happened to be out of the city. Had I been there I should have been glad to show them some of the interesting things in Winnipeg and the province of Manitoba. However, I am interested in the platform the party drew up, and also in the fact that a new leader was selected. I was interested in the fact that the Conservative party had put labour legislation in its program, but I was sorry that its program of labour legislation made no reference to the repeal of that anti-labour legislation of the year 1919. I think it would have been quite appropriate if in the city of Winnipeg such a plank had been put in the forefront of the Conservative party's platform.

I want to congratulate, if I may, the new leader of the Conservative party (Mr. Bennett). I have been very much interested in the hon. member, interested long before I ever dreamed that I would be a member of this house, and I am rather surprised that he himself did not take a part in asking the Conservative party on that occasion in Winnipeg to do away with that legislation which this house so hurriedly passed in 1919—in the space I believe of about twenty minutes. I know the hon. leader of the opposition is a man of profound political thought and of deep religious convictions, and it is to me most surprising that one of such firm convictions should still in the year 1928 be willing to put a man into the penitentiary because he quotes certain sections of the Bible—I refer to certain portions of Isaiah. I am surprised that a man of such a democratic mind as the leader of the opposition should still wish in the year 1928 to put a man into the penitentiary because he desires to read certain kinds of books which can be found on the shelves of almost any library in the Dominion of Canada. That is the legislation which we have sought to repeal in this house—in fact the House of Commons has in three successive sessions passed a bill to repeal it but the bill has been rejected the same number of times by the other house.

I notice one other matter that is absent from the Conservative party platform, and that is the very good suggestion that the hon. member for West Calgary (Mr. Bennett) himself made in the house last year during the budget debate. On that occasion he suggested the conscription of money at four per cent; there is no such plank, however, in the Conservative party platform. If at any future time it is the fortune of the Conservative party to be the dominant party in this house, I trust that that particular suggestion of its leader will be put into effect.

There is one other statement— and I regret it exceedingly—that has been made by the hon. leader of the opposition in the course of the many speeches that he has made since he became the leader of his party. He has referred to the great asset that wealth is to a man in public life. I do not think wealth does give or ought to give priority to anyone who holds a responsible position in the public life of the Dominion of Canada. When the hon. leader of the opposition claims that the wealth he is fortunate enough to possess gives him a sort of prior claim to a position of responsibility, I think he is doing an injustice to a great many members of this house who are not so fortunate as to be possessed of any wealth at all. Wealth should give no prior rights to high office. In fact if we look at history we find that there have been very few really great men who have been wealthy and very few wealthy men who have been really great.

It has been admitted by the leader of the opposition that we are prosperous in this Dominion. I wonder who enjoys this prosperity. After we have listened to speeches by hon. gentlemen from all parts of the country no one will claim that the great masses of the people have benefited greatly by this so-called and one-sided prosperity. I believe the leader of the opposition is a director of one of the leading banks in this country, and a few weeks ago I read the annual report of this particular bank, covering a whole newspaper page, while at the same time, in the inside columns of the same eastern newspapers which carried this report, there appeared the story of an offence committed by an employee of this very bank. This particular employee, in his less thoughtful moments, had taken a few hundred dollars that belonged to the bank. He was a young man who had previously enjoyed an excellent reputation at the bank. Naturally he was arrested, and taken to court. He was about twenty years of age and it appeared in the course of the proceedings against him that prior to the Christmas festivities, while reflecting on the poverty in his own home, he was driven to desperation and took this money so that his own family might enjoy some of the good things which are customary at that time of the year. Then it came out that this young man, who occupied a fairly responsible position with the bank, was receiving $40 a month. Here we have in one column of a newspaper the report of the prosperity of this bank, while we find that the employees who have helped to build up these huge surpluses are receiving such miserable salaries as $40 a month. Bank presidents will speak of prosperity, but this man who was receiving $40 a month must be typical of thousands of others in similar institutions who are living on a wage barely sufficient to keep body and soul together.

The leader of the opposition has made one statement with which I am thoroughly in accord: he says he wants an educated democracy. I am prepared to go a long way with the hon. gentleman in an effort to reach that objective, and I feel sure that when we have attained it, when we have an educated democracy in Canada, there will be little left of either the Conservative or the Liberal party. I would suggest to the leader of the opposition, interested as he is in democracy, that perhaps in the future he might make a tour of the Dominion and address the masses of our people, telling them something about the democracy of Canada. I would venture a suggestion as to the nature of his text. The first question I would have him speak on is this: Who owns the wealth of Canada and who creates it? And secondly, I would suggest that he discuss the question of democracy in industry. In the third place, I would ask him to give some consideration to the question of a democratic second chamber.

This naturally leads me to a reference to the other chamber, which we are not allowed to mention directly in this house. Some years ago there was something in the Conservative platform about reforming the other chamber; I noticed in the Winnipeg platform recently formulated nothing to this effect. During the last election the Liberal party had something to say about reforming the Senate, but very little is said about that subject at this session of parliament.

Mr. BOURASSA: It is reforming itself.

Mr. HEAPS: My hon. friend is fairly correct, but I fancy that if there were a reversal of parties in the government of the country there might be a cry for reform on the part of those now in opposition. I do not think that the other chamber was ever intended to be a democratic institution, for I find in section 3 of the act creating it that this provision exists: that no man—no mention is made of women, because the appointment of ladies to that chamber has not yet been decided upon—shall become a member of that assembly unless he has a qualification to the extent of $4,000 in property. Now, bearing in mind the fact that this qualification was embodied in the act over sixty years ago, we can understand that the other chamber was never intended, as I say, to include any poor man. Four thousand dollars' worth of clear titled land in 1867 meant that a man must have a very considerable acreage before he could be elevated to the other chamber in that period of Canada's history.

Canada at the present time is governed or partly governed by two houses. In one house we have a democratic body elected by the people of the Dominion, while on the other hand we have an autocratic assembly, an irresponsible body which can do as it pleases. It may veto legislation passed in this house just as often as it likes and yet we do not seem to be doing anything to ensure that the express wish of the people shall be carried into effect as the law of the land. I do not believe that in any country in which there is an elective system you will find a body appointed in the same way as our second chamber is in Canada; and sooner or later this other chamber of parliament will have to conform to the will of the people. At the

present time there seems to be a disinclination on the part of the government to take any action in this regard although they said last year that this question would be dealt with. Well, it was partly dealt with by the provincial conference, and what has the conference resulted in? The work of the conference has been referred to in the speech from the throne, and while it is suggested that it was a happy gathering, I cannot understand why, if everything went so smoothly, it was considered necessary to hold it behind closed doors. Personally I do not like public bodies meeting behind closed doors under any circumstances, and the people of Canada were so much interested in the conference that the government might well have given the fullest publicity to its transactions. The conference was called originally for the express purpose of discussing the question as to what should be done with the second chamber, and now we find that no action is being taken merely because certain provinces say, forsooth, that they are not in favour of having anything done in the matter. In my opinion this House of Commons is just as representative of the people of the Dominion, under the British North America Act if you will, as are the nine provincial governments, and it seems to me that the conference has done more harm than good.

I should like to see this government take a bold stand on the question. Why could they not have proposed a dominion-wide referendum to ascertain the will of the people in regard to the Senate? There is nothing to be afraid of. The leader of the opposition, with his democratic feelings, could not possibly object to such a referendum in order to determine this particular question. At any rate, if the question were submitted to the electors there is no doubt at all in my mind as to what would be the outcome. One of my colleagues from Saskatchewan observed that the new members of the Senate are pledged to reform. Probably about eight or nine members have been appointed to that chamber under that pledge. But when you remember that there are ninety members odd in the other chamber—and some of these gentlemen have the happy faculty of living to a hundred and over—you can see how long it will take before pledges are received from them all.

The situation in the upper chamber to-day is such that it deserves some publicity. Thirty-two members of that honourable body are of the legal profession—thirty-two out of ninety-six. Twenty-five are directors of financial corporations; eighteen are merchants and manufacturers; six are medical men and eight are connected with the newspapers. The man who suggests that this body reflects the sentiments of this country is grossly mistaken and very far from the facts. Personally I am not in favour of a second chamber, but if there is to be one I think it should in some degree reflect the will of the people. It is all very well for hon. members to say that we must stand by the British North America Act. Let me say this in regard to that act: The British North America Act was made for the people of Canada and not the people of Canada for the British North America Act; and if the act does not conform to conditions as we find them in the country to-day, then we ought to amend it so as to bring it into conformity with existing conditions. Some of my hon. friends from the province of Quebec may be alarmed about any proposed amendments to the British North America Act. Let me assure them, as one member from the west, that there is no intention on the part of our western people to deprive the people of Quebec of any rights which may be guaranteed them under the act. Personally I should be entirely opposed to any attempt on the part of this house to infringe on any rights extended to the early settlers of this Dominion. At the same time, it would be unfair for any province, jealous as it may be of its own rights, to stand in the way of any attempt to amend the act to bring it more into conformity with modern conditions. There is nowhere in the world, so far as I am aware, a second chamber that has the powers which are enjoyed by the second chamber in Canada. It has been sometimes compared to the British House of Lords. But those who tell us that we should stand by the British North America Act overlook the fact that not more than seventeen years ago the British act governing the House of Lords was amended in respect of the relations between the two houses of parliament in Great Britain. In 1911 when the House of Lords attempted to veto certain legislation passed by the Commons, after they had rejected the budget, what happened? Immediately the Liberal Prime Minister of that day obtained from His Majesty a document empowering him to appoint to the House of Lords as many peers of the realm as might be necessary to over-ride the decision of that house, and that very threat to appoint several hundred gentlemen to the upper house disposed the lords to pass the measure which they had dared to reject. It took away their power of absolute veto. But we have no such right in Canada; we may pass legislation in this house a hundred times and have it re-

jected as often by the senate, if that body so wishes. The government cannot appoint one extra senator to carry into effect the wishes of the people; no appointment can be made except as a vacancy occurs. Gentlemen in this house, particularly my friends of the Conservative party, talk a great deal about following the example of Great Britain. But surely they must realize that our second chamber enjoys far greater powers than are exercised by the House of Lords. If they want to follow Britain's example—and I would suggest that they do in this regard—let them do as was done in Great Britain seventeen years ago: let them take away the right of veto from the second chamber.

I see that my allotment of forty minutes is up and I have no desire to exceed it. There are other matters which I should like to have dealt with but of course the limitation works in my case precisely as it does in others. I shall therefore conclude for the present and on some other occasion I may take up the subject where I now leave off.

Mr. LEO K. LAFLAMME (Montmagny) (Translation): Mr. Speaker, I crave the indulgence of members, as it is my first attempt to address this house. As representative of the county of Montmagny, I wish to make a few remarks on the speech from the throne. I heartily associate myself with the members who have preceded me in this debate, to congratulate the mover and seconder of the address in reply to the speech from the throne. Both performed their task in a praiseworthy manner and the congratulations which were extended to them were well deserved.

First, the speech from the throne mentions the prosperous state of the country. By this it wishes to convey the idea of the general prosperity of our Canada. As stated by the hon. member for Hants-Kings (Mr. Ilsley), if prosperity is not everywhere felt, in each and every riding represented by the hon. members of this house, to the extent that we could say that conditions are very good and even of the very best, nevertheless we cannot deny that the country as a whole is certainly prosperous. If prosperity is not evident everywhere, if all and each of us can point out certain weaknesses in special cases, due to the fact that we meet in a house where every one comes from a different riding, and where also we must look after the general business of the country, we cannot however refrain from really agreeing upon that statement contained in the speech from the throne: that our country is prosperous and has been so during the last fiscal year of 1927. The statements contained in reports from bank presidents and various corporations, not only are optimistic but clearly testify that the country has enjoyed an unparalleled prosperity during this last year. I shall not further emphasize this point as the leader of the government has clearly exposed the situation, and has made us realize the optimism which every well thinking Canadian should feel when he considers the general conditions existing in our country.

Some have asserted that we had no reason to congratulate ourselves upon the year 1927 being the occasion of the celebration of the sixtieth anniversary of Canada's confederation. This event was an excellent opportunity for Canadians to look back somewhat on the past. In all parts of the country we celebrated this anniversary, because we felt the need of commemorating what our predecessors had done for our country. It was well to recall the work done by the advocates of British institutions, it was necessary to remind the present generation, the young people, those who will follow in our footsteps, of the work accomplished by our forefathers in the various spheres in which they were engaged; it was also right to recall the struggles that our forefathers had to undergo for the vindication of responsible government. Especially within these last years this topic has been discussed in various ways and form; it was therefore well to recall these heroic struggles for the conquest of responsible government in order to obtain in Canada the same rights as British subjects enjoy in England.

These celebrations were also an opportunity for many to recall that the pioneers of this country came from the province of Quebec. On that occasion of July 1st, 1927, the opportunity presented itself to point out that those who had laid the corner stone of the first edifice in a great number of Canadian cities, were French or descendants of Frenchmen. At a time when we were speaking of unity and ties which should exist between the various races, we from the province of Quebec could not wish for a better opportunity to recall that those who cleared the land, the pioneers of our country, were our ancestors, in order to impress upon those who to-day live with us in this vast Dominion, that when we display our true and sincere love for the Canadian soil, it is because we really feel at home and are conscious that we took root here before any other.

A question of the utmost importance which should be borne in mind by Canadians, is that of immigration, as mentioned in the

speech from the throne. The hon. members who have preceded me in this debate, for the most part discussed it from their own viewpoint. This question of increasing our population raises a problem which interests every one of us. We should sincerely strive to build up our country, to increase its population so as to lessen the burdens which we are forced to carry, and we should also develop the natural resources of Canada. If we are to have an increase in population, we certainly should all have at heart that this increase reflects on the general welfare. If we find it necessary to bring in immigrants from foreign countries, Europe, the British Isles and elsewhere, not only should we insist that they be physically fit and sound of mind, but we should also seek to induce people who can really become Canadian citizens and think like Canadians that are now living in this country, so that they may be assimilated and join us in the ascending march towards progress. The problem is indeed a very interesting one, and here the question arises whether we should not give preference to those who were born in our country, who are more likely to remain here and foster its development. We should endeavour to solve the problem by doing our best to keep at home those who are born here. This immigration problem is also linked with that of emigration. Canadian born citizens have a natural desire to remain here; they wish to develop and build up this country which is dear to them. We should therefore find the means to keep this desirable population here, at least all those among our people who wish to settle in this country so as to further its expansion. Individual wealth must certainly promote that end, in fact it does contribute to the general wealth of a country, if we have the right kind of people to develop our natural resources. The latter will be unlimited because people will interest themselves and they will thus help most effectively in the general development and increase of the wealth of our country.

Surely, I shall be permitted, Mr. Speaker to comment briefly on the status of Canada For many decades past, Canadians' ideal was to reach the most autonomous state, almost independence. This idea has made great headway within these last years, and all of us look forward to the most complete autonomy possible. In the course of his travels through England, France and the United States, Sir Wilfrid Laurier himself expressed these views openly. He foresaw, in a more or less near future that the ties between Canada and England, and those between the British dominions and England, would gradually be loosened, and that all these dominions would one day obtain complete independence. The Liberals have always endeavoured to spread this autonomous idea, we cannot do otherwise since the Liberal ideals tend to greater freedom, especially since the war —this being a natural sequel of Canada's part in the treaty of Versailles together with the other dominions—and more so after England had practically acknowledged them as sovereign states. At the Imperial conferences of these last years, the delegates of the various dominions, as well as England's representatives, wished to emphasize and establish more and more our ascendency towards the most complete autonomy. This autonomous idea has made headway, especially since the dominions took part, as I mentioned a few moments ago, in the peace treaty of Versailles; the force of events has brought on this situation. England does not wish nor can it prevent the spread of this ideal, since she is herself the pillar of the free British institutions. I am however astonished that the hon. leader of the opposition (Mr. Bennett), and also the hon. member for St. Lawrence-St. George (Mr. Cahan), wish to impede somewhat the enthusiasm of Canadians for this conquest of complete autonomy while awaiting independence. If we take the time to consider the texts of international law, indeed it strikes us that they do not fit in with the present state of the dominions. The autonomy which they have acquired up to now, if it is not quite independence, has certainly created some embarrassment in the interpretation of international law. In certain spheres and in many aspects they are looked upon as sovereign states; as for instance, they can negotiate their own treaties through a minister of their own, without the assistance of an English ambassador. One must bear in mind that always, in regard to international law, nations have proceeded by evolution and when a situation had materialized, the wording of the international law conformed itself afterwards with the existing situation.

According to some people, we have no cause to rejoice in our status because there are still laws in force which curb our freedom. Well, if we have not really attained our ideal, let us take advantage at least of what is happening so as to keep before the public eye our imperial relations, and thus create a strong feeling in favour of such an ideal. Let every Canadian familiarize himself with the thought of a possible independence so

that, when the time comes, we will have no fear of accepting the responsibilities of the accomplished fact.

Mr. BOURASSA (Translation): Hear, hear.

Mr. LAFLAMME (Translation): Gradually, we shall acquire a national spirit and be proud of belonging to our country—a great, prosperous and more united Canada—because we shall have all worked for its expansion, its material and economic development, its conquest of complete autonomy, and its rank among the nations of the world.

On motion of Mr. Cantley the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.35 p.m.

Tuesday, February 7, 1928

The house met at three o'clock.

RAILWAY BELT WATER ACT

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 20, to amend the Railway Belt Water Act.

He said: This is the same bill that was passed by the Senate last year. In the dying days of the session it came before this house but, on behalf of some of the members from British Columbia who did not happen to be present at the time, the leader of the opposition of the day took exception to its being proceeded with, urging that the absent members wished to discuss it. The proposed bill seeks to amend two sections of the act of 1927, making it easier for the commissioner of water in British Columbia to administer the Water Act in the railway belt. A full explanation is contained in the marginal notes of the bill.

Motion agreed to and bill read the first time.

GOLD AND SILVER MARKING ACT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved for leave to introduce Bill No. 21, to amend the Gold and Silver Marking Act.

He said: The object of the bill is to change the name of the Gold and Silver Marking Act to the Precious Metals Marking Act so as to include platinum, which recently has come into general use in the jewellery trade. It is also proposed to give the governor in council authority to make regulations covering the quantity and quality of material that may be used in what are termed plated articles.

Motion agreed to and bill read the first time.

POST OFFICE ACT AMENDMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 22, to amend the Post Office Act (newspaper ownership).

He said: The object of the amendment is to provide for a uniform law, as in the United States, England and Australia, requiring sworn semi-annual statements from all newspapers, magazines, trade journals and other periodicals which contain articles designed to influence public opinion, giving the names and addresses of editors, owners and stockholders. There is a proviso that this act shall not apply to religious, fraternal, temperance, scientific or other such publications. The names of small stockholders are not required to be given.

Motion agreed to and bill read the first time.

THE MEXICAN SITUATION

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac-Addington): I desire to ask the Prime Minister a question the answer to which I have no doubt will be of interest to many people in Canada. It is this: Has this government, by direct request or by correspondence, conversation or negotiation with the government of Mexico or with any representative of that government, intimated its desire that the consul general for Mexico in Toronto, Senor Medina Barron, shall be recalled?

Mr. SPEAKER: In view of the importance of the question I think the hon. gentleman should give notice.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I agree entirely with you, Mr. Speaker.

Mr. EDWARDS (Frontenac): No doubt.

UNEMPLOYMENT IN NOVA SCOTIA COLLIERY DISTRICTS

On the orders of the day:

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): A few days ago the hon. member for Cumberland (Mr. Smith) referred to certain information he had obtained in regard to the use of American coal for bunker purposes on Canadian vessels. I promised to make inquiry into the matter and I am now in a position to state that the information submitted is absolutely incorrect. The policy of the department has always been to use Canadian coal for bunker purposes on Canadian vessels, and this policy has been followed more particularly in connection with the steamships Lady Laurier and Arleux, to which reference was made in the despatch in the newspaper and in the telegram read by my hon. friend. These two vessels have been using Canadian coal for bunker purposes and were so doing at or about the date indicated in the telegram and in the reference contained in the newspaper.

Mr. R. K. SMITH (Cumberland): Will the minister have the matter thoroughly investigated, in a formal manner—

Mr. SPEAKER: Order.

Mr. SMITH (Cumberland): Am I not permitted to ask a question?

Mr. SPEAKER: Yes, but not to argue the matter. I understand that the minister has answered a question asked by the hon. member the other day, and no argument may ensue.

Mr. SMITH (Cumberland): But am I not at liberty to ask another question?

Mr. SPEAKER: Yes, another question.

Mr. SMITH (Cumberland): That is what I am doing. Will the minister have the matter thoroughly investigated in a formal manner, rather than submit a statement of the circumstances, by wire exchanged between him and his officials. I feel sure it would be much more satisfactory to the people of Nova Scotia if such a formal investigation were held.

Mr. CARDIN: I shall have no objection at all to making an investigation of any kind if my hon. friend will give the names of those who are charging the government with not following the policy of using Canadian coal.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Monday, February 6, consideration of the motion of Mr. Isley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, it is so seldom that I find myself in a position to return thanks to this government that I take the first opportunity this session to thank them for the compliment done my native province in selecting one of the younger members from Nova Scotia to move the address in reply to the speech from the throne. The member for Hants-Kings (Mr. Ilsley) spoke fluently and with considerable self-assurance, not even hesitating to cast some reflections upon the premier of the adjoining province of New Brunswick for certain statements made by him with which the hon. member told the house the great bulk of the people of Nova Scotia were not in accord. I think the statements made by the premier of New Brunswick on the occasion referred to met with the cordial support of the great bulk of the intelligence of Nova Scotia.

Again, the hon. gentleman in referring to the outcome of the Liberal-Conservative convention at Winnipeg last November stated when referring to the resolutions passed at the convention:

> This I cannot help thinking is an indication that even the opposition is coming around, getting into line, and that henceforth it will be more constructive, more truly national in its efforts and activities.

This, Mr. Speaker, is a striking example of the ignorance and arrogance of youth. More constructive, more truly national indeed! May I ask him which party and what party leaders brought about confederation? Which party in 1869 bought the lands of the Hudson's Bay Company and opened up and largely peopled the great lone spaces of the northwest? Which party built the Intercolonial railway? Which party in 1870 brought the province of Manitoba into the Dominion? Which party built the Canadian Pacific railway? Which party conceived and executed the Grand Trunk Pacific railway scheme?—and when it failed and threatened to bankrupt the national credit, opposed taking over the road and its incorporation in a national system of railways?—a system of which our friends opposite are now so proud? Which party advocated unrestricted reciprocity? Which party advocated continental free trade? Who played the "Linger Longer Lou" comedy in Washington? What was the Liberal election cry of 1911? Which was the more constructive, more truly national? Canadian history will say that beyond all question the Liberal-Conservative party was always the most constructive, the most truly national of any party in Canada. May I advise the hon. member

to go and ask his grandmother as to what is what and something of the history of his country.

From the applause which followed the eloquent address of the seconder the hon. member for Provencher (Mr. Beaubien), I have no doubt that he acquitted himself with much distinction, but unfortunately for me I was not able to follow him, as I have not the privilege of being acquainted with his mother tongue.

Now, Mr. Speaker, I desire to make the amende honorable as regards a statement made by me in this chamber last session. I am sorry that the Prime Minister (Mr. Mackenzie King) is not in his seat, for I should like to make this statement in his presence. On that occasion he was not in the house, and I regretted it at the time. I refer to what I said on April 12 last when I attributed to the right hon. gentleman a declaration in 1921 as to his policy on coal. On Friday last I quite accidentally discovered that that declaration was not made by him, but by Mr. Hance Logan, the then Liberal candidate in Cumberland; and while it is true that the statement quoted was made by Mr. Logan and not by the Prime Minister, the Prime Minister then occupied a seat on the platform with Mr. Logan, and as far as I know he did not in any way dissociate himself or his party from the policy then enunciated by Mr. Logan, a policy which was calculated to win the support of the electors of Cumberland. If any hon. gentleman cares to turn up the file of the Halifax Chronicle of October 6, 1921, he will readily see how I was led into the error referred to. May I assure you, Mr. Speaker, and the house that I attributed the statement to the Prime Minister in good faith, and I hope hon. members will acquit me of any wish or desire to profit by misrepresentations of any kind. To do so would in my opinion be dishonourable, and may I add repugnant to my sense of decency in debate. Therefore I take the first opportunity of apologizing to the right hon. the Prime Minister for having unwittingly attributed to him a statement made by Mr. Logan, his companion on that occasion.

Several members speaking from this side of the house who have already taken part in this debate have paid their respects to the speech from the throne in language which can hardly be considered complimentary. As to the marked prosperity of the country claimed by our friends opposite, may I say that our thanks are due to the Lord God of the Harvest, not to the government. For the past three years Canada has been blessed with abundant harvests, the proceeds of which have done much to bring prosperity to the country, the results of those abundant harvests being reflected more or less in every province. We in Nova Scotia have to some extent participated in those returns through orders for rolling stock, railway equipment and other materials, and our thanks we give to the source whence those blessings have come. The mover of the address pointed out that the prosperity had not been evenly distributed throughout the Dominion, a fact that I think should receive more consideration than the government has yet thought fit to give to it.

As to the great hullabaloo regarding Canada's position in the League of Nations as a result of our being given a non-permanent seat on the council of the league, I only wish our connection with the league was as non-permanent as the seat, for I consider our commitments in relation to the league a more than doubtful encumbrance. For the league to exercise effective control, if indeed it be ever in that position, it must use coercion and force. At best the League of Nations idea is a utopian scheme, a provider of places for dreamers and decayed statesmen.

As to the proposal for opening embassies and appointing ambassadors in France and Japan, as has already been done in Washington, we on this side consider such positions entirely unnecessary. What we do need in the way of representatives in foreign countries are commercial agents, and we cannot have too many of them, provided they are men of capacity, of character, of vision, and of energy.

I notice that the conference of provincial premiers held in November last was more or less a lively affair. Apparently there were frank expressions of opinion at that conference from the premiers of Quebec and Ontario, and possibly from the premier of one of the maritime provinces.

I should like to interject here that the coal miners and steel workers of Pictou county Nova Scotia, are not interested in the question of Canada's status or its representation on the League of Nations, or of appointing ambassadors to France and to Japan. What they want from the government of this country is

such legislation as will relight our idle blast furnaces, re-open our closed open hearth steel melting shops, and restart our rolling mills and big forging plants. We want to give the employment that we formerly gave, for instance in 1921 when the payrolls of the Nova Scotia Steel and Eastern Car plants in New Glasgow exceeded $5,000,000 per year. In 1925 the payrolls of these institutions were only 5½ per cent of what they were in the year previously referred to.

Mr. ILSLEY: To what year did my hon. friend refer?

Mr. CANTLEY: The year 1921 as against 1925. If I took the years of the war, from 1914 to 1918, the figures would be much greater.

Regarding the Duncan report, it will be noticed that the continuance of the money grant made last session is recommended. May I point out that so far as Nova Scotia was concerned, the grant which the Duncan report recommended should be paid forthwith was not paid during the session, or indeed until some months later. Then only one-quarter of the sum recommended was forthcoming. The sum of $133,000, representing the amount in dispute between the province of Nova Scotia and the federal government, then the subject of proceedings before the courts, was deducted in a most unfair and highhanded manner. May I say that I consider this action on the part of the government hasty, miserly ill-considered and decidedly high-handed.

I am always glad to be able to congratulate my friend the Minister of Railways (Mr. Dunning), and I can congratulate him now on the prompt, and I believe wise, decision at which he arrived in connection with the terminus of the Hudson Bay Railway. Nelson as the terminus of that railway was impossible. Of that we had ample evidence. On the other hand Churchill, so far as I am able to judge from the information available, is a much better port. I wish to say that if we in Nova Scotia have silently acquiesced in the Hudson Bay railway scheme it was by way of a concession to what we know to be the clearly expressed views and wishes of the people of the west who believe that that project is practicable. Many of us in Nova Scotia do not so believe, but we are loath to thwart the hopes and aspirations of the people in the west, and prefer that even larger amounts of money should be spent rather than that discontent on that score should be created in those western provinces. I should like our friends in the west to remember that when considering the causes of unrest and dissatisfaction in the maritime provinces.

As to immigration the Prime Minister a few days ago warmly defended the deputy minister of the department concerned. Nobody on this side of the house, so far as I can recall, made any complaint with respect to that official. Speaking here last year, or possibly the year before, I expressed my views quite clearly in regard to the capacity and character of the Deputy Minister of Immigration and they were not derogatory. The man primarily responsible to parliament for any shortcomings in connection with immigration is not the deputy, it is the minister, and perhaps the less I say in expressing my estimate of his capacity the more charitable I shall be. The best immigration policy this country could have, and we certainly need more people in Canada to support the burden of taxation due to the war expenditure and our overdeveloped railway systems, is not the expenditure of a larger amount of money on immigration—although probably that is desirable if such expenditure is wisely made and planned—but a sound fiscal system such as will provide work for our own people, and permit of the manufacture of our raw materials within the confines of Canada, as against the policy of sending out hundreds of millions of dollars for raw materials which we ourselves could supply. If we adopted such a policy as that, we could repeat in this country the successful results which have been witnessed among our neighbours to the south. Consider, Mr. Speaker, the humiliating position we witnessed last year when our new envoy to Washington went down on his knees and begged the United States government to allow some four thousand Canadians to cross the international boundary line each morning and earn their daily bread. Why should we be in that humiliating position? Why not provide work within our own country for our own people? We have been told on most excellent authority that $1,300,000,000 of the savings of the people are lying in the banks of Canada practically unused. We have in Canada more than sufficient capital to provide the facilities or the machinery to employ not only all the labour that we have here to-day but an immigration from Europe as

great as that which we had in 1913 when it was at its peak. Why do we not make use of this money?

As regards the Saint John and Halifax harbour commissions, all I wish to say at this time is that, as established, they in no way meet the intentions as expressed by Sir Andrew Rae Duncan and his fellow-commissioners who reported to the government in that connection.

We welcome the announcement in the speech from the throne as to the intentions of the government in regard to industrial and scientific research. I only hope that the facilities provided will be ample; that they will be under one competent head and that, in addition, adequate buildings, adequate accessories in the way of scientific instruments and that sort of thing will be provided, so that we shall have in this country an institution of scientific and industrial research commensurate with our position in the world to-day.

I wish to refer for a few moments to one of the follies of the government as illustrated in Bill No. 233 of last year, to encourage the production of domestic fuel from coal mined in Canada. Most of us will remember that this bill was submitted to and passed by the house last year. Let me ask the government: What progress has been made in that connection? What real encouragement does it give to the establishment of a coking industry in Canada? We on this side pointed out last year the entire inadequacy of the legislation to bring about the condition which its sponsors said would be effected. I repeat that what is needed in that connection is not such legislation as is provided by Bill No. 233, but an adequate duty on coke and on all forms of coal. If we are given that, no bounty will be desired or required and none ought to be paid.

Let us consider the situation for a moment. We have to-day in Cape Breton great numbers of miners who are idle due to the fact that, following the close of navigation on the St. Lawrence river, our maritime coal cannot reach the consuming centres of Quebec and eastern Ontario, no adequate provision having been made to reach those markets by rail after the season of closed navigation. What we need to meet that yearly recurring difficulty is that a rate should be given which will permit Nova Scotia coal to be carried to the eastern townships, Montreal and nearer Ontario points by rail during the winter months. Were we given a rate of one-third of a cent a ton per mile—and I particularly call the attention of the Minister of Railways (Mr. Dunning) to this,—a rate equivalent to that asked by our friends from Alberta, who ought to get and who I hope will get what they ask for, we would be able to bring up to the eastern townships, Montreal and the nearer points in Ontario, Ottawa and perhaps as far as Cornwall, sufficient coal to maintain our miners during the winter months with not full work, but with four or five days' work a week, which would be a godsend to them. This coal question will never be settled until some scheme is devised whereby we can move coal by rail during the winter months.

A few years ago we brought up some 260,000 or 280,000 tons of coal through Portland, but that was at a time when freight rates were less than one-half what they are to-day, when the cost of hauling in other directions was less. An attempt was made the year before last to do the same thing, with the result that the cost of shipment in the way I have indicated ran up to figures that made the business impossible. There is no use in our endeavouring to put the question to one side because it will not down. Any government responsible for carrying on the affairs of the country must face the situation and deal with it, and I trust the Minister of Railways will take the matter into consideration and make some effort to deal with it effectively. The Canadian National Railways sends down to the seaboard of the eastern provinces large numbers of cars loaded with material to be exported from this country, and a very considerable proportion of these cars are returning empty. What we ask for is that such rates will be given as will employ those returned empties in moving eastern coal to the eastern townships, Montreal and eastern Ontario. Last year we paid foreigners to mine for us 18,000,000 tons of coal, a quantity greater by more than 2,000,000 tons than all the coal mined in the Dominion of Canada during the same period. Why did we do that? To ask the question is practically to answer it, because every man of intelligence in this house knows why we did it. We gave to another set of foreigners orders for $226,000,000 worth of iron and steel. We had Mr. Massey begging at Washington that 4,000 of our people should be allowed to go over there to obtain a livelihood. A sane policy would give them three meals a day at home and would bring back a million of our people who have migrated to the other side. Why did they have to go over

there? Simply because most of us at home were fools.

Referring again to the question of winter coal, we landed at Montreal this past season 1,634 tons of English coke, nearly 5,000 tons of German coke and 13,000 tons of so-called Dutch anthracite. In all we landed at Montreal during the past season nearly 700,000 tons of European fuel. If our miners in Nova Scotia and Alberta had had orders for that quantity of coal to be mined during the winter, we would have less difficulty, less unrest and less suffering, than we have there to-day.

I would like the house to consider for a moment our situation in regard to iron and steel and the recovery made by Germany since the war.

Mr. DUNNING: Perhaps my hon. friend would permit me a question. As he knows, it is not intended to embarrass him because he knows the keen interest I take in this question of coal. I cannot quite understand the application of his last remarks with reference to coal imported into Montreal, presumably during the open season. Could not Nova Scotia coal have competed there, having a shorter water haul in the summer than the water haul from Europe? What is the deduction my hon. friend draws from that fact he cited?

Mr. CANTLEY: I quite understand the question, and I think I can give the minister a satisfactory answer. We in Nova Scotia, in Cape Breton particularly, mine during the summer months all the coal that we can mine with the number of men and the equipment that we have. But it is a seasonal business. We are busy for possibly seven months out of the year, and for four months we have no outlet. Now if that seven hundred thousand tons of coal had not come in, and the government would move in the way I suggested, we in Nova Scotia could have supplied that amount of coal. Is that a sufficient answer?

Mr. DUNNING: But the people who bought that coal bought it in the summer time. It came in by water. Why could they not have bought Nova Scotia coal?

Mr. CANTLEY: We produce all we can during the summer but are idle in the winter time; that is the answer. If I had five minutes' conversation with the minister, his intelligence is so great that I am sure I could convince him.

I was going on to refer to the recovery of the German steel industry after the war. I think it will be within the knowledge of most members of the house that, due to the Versailles treaty, Germany lost about forty-three per cent of her producing capacity in iron and steel. Notwithstanding that setback, Germany is rapidly regaining her position as a steel producer. Basing an estimate on the rate of progress towards the full recovery of her productive capacity, as shown by the figures for 1927, leaving aside the output for preceding years—there is every reason to believe that her production in 1928 will be considerably greater than it was in 1913 or in any other pre-war year in the history of the German empire. I would like the government to compare our stagnation, indeed retrogression, in Canada with the prosperity of the German empire so far as iron and steel is concerned, or even with that of Great Britain, or with that of the United States, although the latter country is not producing as much steel this year as they did two years ago. It would appear to me that the government seldom make a tariff change without hitting the Nova Scotia steel industry, as instance the drawbacks on agricultural implement steel, and later on the changes made in the tariff in favour of the automobile manufacturers. The policy of the government seems to be one of less and less protection for the basic industry which of all industries in this country has been sacrificed in favour of secondary industries.

I would now like to call the attention of the house to the matter of maritime unrest, and ask them to consider the case of Amherst, where in 1921 the Liberal candidate made his declaration as to coal duties and coal transport, and then visit the towns of Trenton and New Glasgow in Pictou county, where, during the same election campaign, the Hon. E. M. Macdonald, in the course of addresses in New Glasgow, Trenton and Stellarton, stated that the duty on coal was a fake duty and pledged himself, if returned to power, to put on a real duty of $1.50 per ton on coal, and also to give real protection to the steel industry. Then view Sidney Mines, where Mr. Kelly, during the same election contest, made promises of a similar character. Indeed, practically every supporter of the Liberal government in the province of Nova Scotia referred in much the same terms to the same subject, with the result that "a solid sixteen" supporters of the present government were returned to the house, with the subsequent result that while here they were as dumb as oysters in regard to the needs of their native province.

Within the last few days, if indeed they are not here to-day, a delegation from the town of Dartmouth, in the province of Nova

Scotia, has been pleading with the finance minister to save an industry in their town which has been established for well nigh a century, an industry which was in vigorous growth long before confederation, and which to-day, under a greatly reduced scale of tariff, is employing one hundred and sixty hands, representing a community of from six hundred to eight hundred persons, all of whom are entirely dependent on this industry, and will be thrown out of employment in the midst of the rigorous winter unless the finance minister comes to their assistance and extends to that industry the protection they ask. If he fails to do so, Dartmouth will be added to the tragedy of Amherst, New Glasgow, Trenton and Sydney Mines. I appeal to him to save the establishment, for he alone can do it, and no attempt to pass the responsibility to the maritime members, as was last week attempted, will avail those threatened with the loss of their livelihood and homes.

Mr. Speaker, may I remind the Minister of Finance that to bring into this country enormous quantities of coal and coke, quantities greater in the aggregate than we ourselves produce, and this while our miners both in Alberta and Nova Scotia are out of employment, is a matter of vital importance, and is viewed with alarm and grave discontent.

Speaking in this chamber on March 18th last, the first minister intimated that his government hoped that by accepting as they had the recommendations of the royal commission on maritime claims, virtually in their entirety, parliament and the country would recognize a wish to remove that question as largely as possible from the arena of sectional discord and party strife. Referring to this matter from my place here on April 12th last, I ventured to point out to the house that in effect but a small proportion of the recommendations of that commission, had the proposals of the government at that time really implemented. The situation differs now in no important respect from the position at that date, and, Mr. Speaker, I now again appeal to the first minister at once to carry into full and complete effect all the recommendations of the Duncan commission, and that in no niggardly way. If he do so, he and his government will do much to relieve a difficult situation in the maritimes and will bring to him the thanks of a million and a half of people who, as regards energy and achievement, have no superiors in this broad dominion.

Before closing, Mr. Speaker, may I say that the feeling in my native province has been well voiced by the four lines of Claude McKay's White Houses:

[Mr. Cantley.]

Your door is set against my tightened face,
And I am sharp as steel with discontent,
But I possess the courage and the grace
To bear my anger proudly and unbent.

The Prime Minister, if he would take counsel with the Minister of Finance, the Minister of Railways, and some others of his cabinet, could completely change the situation, and thereby earn the gratitude of the maritimes. I appeal to him to do so.

I wish to thank you for your courtesy, Mr. Speaker, and the House for the careful attention which it has been good enough to accord to me.

Mr. HENRI BOURASSA (Labelle): I hope the hon. member for Pictou (Mr. Cantley), for whom I have a great deal of respect, will not charge me with any discourtesy if I do not follow him in his speech, first because most of it was devoted to a question upon which he is an authority, and secondly because it is a question of a local nature which I expect will be treated by other members of the house who are equally familiar with it.

With regard to the mover and seconder of the address, I have already told them privately that I would spare them the dose of soapy tepid water which they have received every forty minutes since the opening of this debate, reserving to myself the right to express privately my admiration for the manner in which they have accomplished their duty.

With regard to the speech itself, my good friend from Bow River (Mr. Garland) has, in a somewhat critical or ironical vein, stated that he was looking for the day when, perhaps, the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for Labelle, (Mr. Bourassa), would move and second the address in reply to the speech from the throne. Well, with due respect to the throne, to the speech, to those who prepared it, and to the house, may I say, sir, that if the member for Winnipeg North Centre and myself ever have anything to do with the speech from the throne, it may be a little more crazy than the present speech but somewhat less stupid. I mean to say that it is a tradition of parliament that the speech from the throne should contain as few ideas and thoughts as possible, and as many words as may cover a certain number of pages of Hansard. In this respect the speech of this year is a modèle du genre. In fact, in my somewhat radical way of looking at things, it would be more practical to do away with the old custom of bringing in a so-called speech—which is not a speech—in the name of the crown, although the crown has nothing to do with it—talking about the times and the

weather and so forth, which we all know about by going out or remaining in, and about the great crops, some of which we know about and some of which we do not know about, according to the part of the country in which we live. In a so-called democratic country, supposed to be governed in a businesslike fashion, it would be simpler and more to the point if the government would bring down a ministerial program saying, "During this session we intend to propose such and such matters." The opposition might have a counter program, or if they saw fit to act on the lines designed by the able leader of the opposition (Mr. Bennett), they might decide not to prescribe until they were called on. But I suppose if any government attempted to do away with the old-time custom some of the members of this house who are attached, and especially those who pretend to be very much attached, to British precedent would have to cry out against revolution, because, as far as my limited knowledge of the history of parliament goes, the only practical and effective speech from the throne I have known of in the last three centuries is the one which Cromwell delivered when, pointing to the mace, he said, "What shall we do with this bauble? take it away." We have not reached that point of the English precedent yet.

With regard to the prosperity of the country, of course there is prosperity. You and I, Mr. Speaker, might remember that when we came here as young, unsophisticated youths we heard a speech from the throne; and it was then stated by the government of the day that the good times were to be attributed to the policy of the government, and that statement was contradicted by the members of the opposition. I think it was customary in past centuries, and it has been customary ever since. In the time of Louis Philippe in France, when Marshal Soult was head of the government, the French press stated that he had lost the battle of Toulouse, but when he was out of power they claimed he had won the battle of Toulouse—always the same battle.

There are indications of prosperity in the country. I think some of the elements of prosperity are due to the policy of this government. Some may be dated back to the policy that was in force when the hon. gentlemen opposite were in power. But I think the share of the government, of any government, in the growth of the country is not such that either party should boast about it from day to day, and week to week, at every session of parliament. In my mind, ignorant as I am on most questions, but having given some little thought to this issue, we consider too much the outside results of economic activity and do not look enough to the basic laws of economics. We should endeavour more than we do to generalize and harmonize as much as possible the elements of prosperity, from year to year, as between the various parts of the country and the various classes of people contributing to that prosperity.

I have heard with interest the speeches of the Prime Minister and of the leader of the opposition. May I take advantage of my older age to praise both of them for the general tone of those speeches? I agree with a good deal of what both have said, and perhaps a little more with what was said by the leader of the Progressive group (Mr. Gardiner). I will give one instance for example. The leader of the opposition insisted very strongly on the importance of increasing immigration into the country in order to enhance and support that prosperity. The leader of the government replied by insisting on the importance of importing capital as well as population in order to maintain that prosperity in a proper balance. But I think the leader of the progressive group went to the root of the question when he said that most of us had a wrong view of the nature and importance of the role played by capital, or what capital is. Capital is not money, as a matter of fact. The proportion which gold and silver, or even bank and state bills representing money, count in what is called capital in the world to-day is but a drop in a sea of water. Unfortunately, what is called capital, what is supported as such by legislation in most countries, and too often by a venal press, is not capital really representing the accumulation of real wealth, or the accumulation of productive labour, but fictitious capital represented by paper, which enlarges the so-called capitalization of industry and financial institutions, and calls upon the masses, the consumers and the ratepayers to bonify that capital. It is useless to talk about permanency of prosperity, about the real prosperity of this country, till this parliament and all the parties composing it have sufficient humility to understand that very few of us are capable enough, as parliamentarians, to deal with that tremendous problem, and that we should take time to borrow what enlightenment may be given to us by men most versed in problems of economic and social adjustment, in order to make a review, not only of the budget, not only of this or that source of public revenue, not only of this or that part

of our economic system, but a whole and comprehensive review of the complete economic fabric of this country.

Canada, situated as it is beside that tremendous country to the south of us, and connected with Great Britain, who in spite of all remains the centre of finance and trade in the world, can borrow from these countries true elements of prosperity and at the same time avoid the traps into which they have frequently fallen. The so-called prosperity which reigns, either in England or in the United States, produces these two evils—pauperism and extreme capitalism; and I claim that pauperism generally and extreme capitalism—capitalism too highly protected by the state—are the two evils which are threatening the economic balance of this country, as well as undermining social justice and the moral and physical happiness of the people. I shall not dwell further on this point, which may be dicusssed at greater length in connection with the budget.

With regard to taxation, I merely state now, what I have said in previous sessions: I will not allow to go unchallenged the argument so frequently advanced, that the province of Quebec is bound to a policy of high protection. I have said time and again, and I repeat it now, that every occasion on which the tariff issue has been before the people of Quebec, the vast majority of them have voted either for reform, or for reciprocity, or for some other form of reduction in protection. I do not want our western friends to remain under the impression that the mass of the good people of Quebec are led blindly by the nose by a handful of capitalists in Montreal.

As respects immigration, I submit respectfully to those gentlemen in this house who have discussed this phase of our national problems, that in my humble judgment they are taking but a very partial view of the situation. Immigration is but one of the factors of the dominant problem facing our people to-day. The thing of importance is what I would call the population difficulty. Everyone agrees that we have a territory vast enough to maintain millions upon millions of people, although regarding the manner in which we should set about increasing our population opinions vary. The most thoughtful men and women of my native province, to whatever party they may belong, hold the antiquated view that the best way of solving the population problem, is the one which was devised by the Creator of mankind in the beginning: I mean the cradle policy, if I may say so. There I am skating on pretty thin ice, when we see the leaders of both the great parties who have done so little to help in the solution of the problem. I do not know about the other leader; if he is in the same case the matter is worse still. It is time to cry, "Go forward." The second point I wish to make in this regard—and it is an important factor in our population problem—is the advisability, not so much of bringing more people in from outside, but of keeping at home our own people. I claim that it is the duty of the government, of the opposition, of all parties, the duty of all right-thinking Canadians, to see to it that economic and social conditions in Canada shall be such that Canadian-born citizens, or those who are Canadians by adoption, of whatever race or of whatever creed, who are living to-day in Canada and struggling to make the best of their situation, shall be given a fair chance to carry on. Whether these people live in the east or in the west, whether they make their homes in the city or labour on farms, we should see to it that economic conditions are such as to promote their welfare in some reasonable degree. Under a proper regime of social and economic justice in Canada there should be room for all well-thinking and right-acting citizens, but no room for sharks, beggars and exploiters.

The third factor to be considered in relation to this problem is one which I suggested many years ago in the old house and which I repeat now. It is this, that instead of offering such abnormal inducements to foreign immigrants, whether they come from the British Isles or from continental Europe, we should offer advantages, at least equal if not superior to those extended to outsiders, to the farmers of Quebec and Ontario as well as of the maritime provinces, who have a taste for the west and are desirous of settling in that part of our dominion where they feel that there is likelihood of their prospering. Many years ago, I once applied to the Department of the Interior for transportation facilities for a good sturdy farmer of my own constituency who desired to go west with his wife and five children; and to my amazement I discovered that it would have cost him five times more to go west than it would an immigrant from Liverpool or Manchester to come from England across the ocean and take up residence in Manitoba. It would cost, I say, five times the sum required in the case of such an outsider to take a Canadian from the province of Quebec to western Canada, where he could assist in developing our western territories. There is no reason why thousands of our own farmers who cross the border into the

United States, simply because our cities are over-populated and our farms are unsuitable for one reason or another, either because they are too small or because conditions are not just right, should not be enabled to move to western Canada and take up suitable land there. They will not take up bush lands, but they would go west if the conditions were favourable.

Now I come to my fourth point. Before going to Europe to look for immigrants, why not let us endeavour to bring back to this country Canadians—I mean, those willing to come back—who have had to settle abroad? They are not numerous, there is no use in deluding ourselves in that regard, but such of our fellow citizens as have gone away either from Quebec or Ontario, from Manitoba or the maritime provinces, who are willing to come back should be offered the best chances. The old maritime provinces have been bled for the last fifty years of some of their best blood. I have visited probably fifty towns in New England in the last half century or so, and have discussed the matter with various American citizens, formerly Canadians; and I have most invariably found that they had been obliged to emigrate from New Brunswick, Nova Scotia and Prince Edward Island, merely because no inducement had been offered them to go to western Canada. In parliament, of course, the advice had been very heartily given—go west! But when these people wanted to go west—no. The tramp in England, the revolutionary in France, or the socialist in Germany, these were all offered more attractive advantages than were held out to the natives of Nova Scotia, New Brunswick and Prince Edward Island, to go to Manitoba or Alberta and become Canadian citizens. I repeat, we should make a serious effort to bring back some of our Canadians, especially those who have not been out of the country for too long a time. Most of these people went to the United States under distressing circumstances. By birth, by habit, by tradition, by instinct, they are fit for a living in America generally. It ought therefore not to be a difficult matter to induce them to come back and settle in this country, if reasonable advantages were put in their way.

So far as British immigration is concerned, this seems to be a sore point with the leader of the opposition. However, I am going to speak my mind on this question, just as I will do on everything else, here and elsewhere. From a purely individual point of view—and we have of that many instances in this very house—we can get from the British Isles some of the best samples of manhood; and as far as I am concerned they will always be welcome to this country. But it is equally true that owing to the social and economic conditions which have been prevailing in the British Isles for years past, due to the fact that no government there has yet dared to offer to the millions of free citizens of England and Scotland the opportunity to possess an inch of their native land, the land for which their forefathers have laboured and bled for centuries, but which remains in the possession of His Grace the Duke of Westminster, or His Grace the Duke of Sutherland, to such an extent that at the present time there is more grazing and hunting land upon which the masses of England cannot settle than there is vacant land in Manitoba, Alberta and Saskatchewan in the hands of the grabbing railway companies and other speculators,—I say that due to that condition of affairs in the British Isles, you have now millions of people in the cities of England and Scotland who have been disconnected from the soil for generations. It is against their instinct, it is against their aspirations, it is against their very temperament to become again tillers of the soil. They talk about socialism and radicalism and communism in England; these are the outgrowth of the selfishness of the possessing classes. But I do not think that heretofore the efforts of all good Canadians, whether English or Scottish, or Irish, or French, or of any other blood, should be directed to making Canada an easy cure for the social evils of England and a safety valve for the selfishness of the possessing classes of that great country. From a social point of view, therefore, let us beware before we open our doors to anyone who may come from England with a heart full of hatred against all British institutions, with a heart full of rancour against every thing connected with the British system of government. Of course, if you wish to hasten the day of secession, if you want to precipitate Canada into a crisis with Great Britain, bring as many as you can of that kind of people to this country.

Mr. CLARK: What did the poorest of England do in the war; did they not fight for their country?

Mr. BOURASSA: Yes.

An hon. MEMBER: What did you do?

Mr. BOURASSA: They fought for their country, not for another country. Suppose Canada is at war—

An hon. MEMBER: They fought for France and for you.

Mr. BOURASSA: They fought for England, and did it well.

An hon. MEMBER: They fought for you too.

Mr. BOURASSA: That is a matter of opinion. I am simply saying—and every thoughtful Englishman and Scotchman is my witness—what is being uttered every day in Great Britain, where liberty of speech exists in fact and not merely in theory. I was in England last year, not for the first, the second, the third, the fourth or even the fifth time, and I made new acquaintances and was confirmed in the opinion which I held long before the war, that you have in England people of the right kind who want to send to the dominions—or the colonies as they still term them—the right kind of settlers; but you also have people, especially those belonging to the wealthy classes, who want to get rid of the poor and who say: We will send them to the colonies and let the colonial governments and parliaments deal with them.

An hon. MEMBER: No.

Mr. BOURASSA: It has been told me by some of the leaders of public opinion in England. From their point of view it is patriotic, they feel they are doing their duty in the best interests of their country. Let us be as careful of the welfare of Canada as they are of the future of England.

With regard to dealing with immigration wholesale, as has been suggested by the leader of the opposition (Mr. Bennett), I beg to differ with him also as to the means. I have had occasion in the last thirty years to find out that all great schemes of immigration, all tremendous policies of wholesale immigration have failed, whether under a Liberal or a Conservative government; while on the contrary every small and energetic enterprise conducted by the right kind of men, either in this country or in Scotland or in England or in the United States, to organize small settlements of the right kind of people, whom they lead to the place where they are to live and obtain for them there the conditions that will make them happy settlers,—those settlements to my personal knowledge have done wonders. I can speak of three in the west that I have known in the last thirty years, one French, one German and the other Scottish. The French settlement—I mean from Quebec—was made in the neighbourhood of Gravelbourg. Two or three men with a set idea of accomplishing something went there and secured a tract of land, made arrangements with the Department of the Interior here, and made an individual canvass of the right kind of people in the province of Quebec, brought them out, saw that they were properly settled and that they received what they had been promised, that is, the administration that they wanted, a municipality organized, and a church and a school built. To-day, after only fifteen or twenty years, you have there one of the finest settlements of the west. In the old days—I mean some twenty-five years ago—two or three gentlemen came to my room. They were delegates from certain German inhabitants of Dakota, born Americans, who wanted to come and live in Canada. They explained to me the manner in which they were organizing the settlement. They took up a tract of land somewhere between Regina and Prince Albert. I traversed that section many years ago. Previous to settlement it was a perfectly wild country and absolutely dry. I well remember the old railway from Regina to Prince Albert was in such a bad condition that they had to cut the train in two, and I saw antelopes near the track gazing at us and apparently thinking: What kind of beasts are coming to take our place? Those settlers found they could have that territory irrigated, and they brought in a whole colony of some two hundred people all farmers with the exception of a blacksmith and two or three mechanics. To-day that is one of the finest settlements in Saskatchewan between Regina and Prince Albert. I know of another one, although I have not visited it personally. It is a Scottish settlement that has been established near St. Paul de Metis, somewhere in Alberta. This again was organized by a Scotch priest and a few delegates in the same manner as the first Scottish settlements that were established in Prince Edward Island a few years after the conquest of Canada, and out of which practically arose the province which exists to-day. That shows that private but well reasoned initiative, if properly helped by the government, will operate in a much more practical way and will produce more enduring results than a wholesale policy of immigration inaugurated by such founders as the North Atlantic Trading Company of ill-fame.

But, sir, if we want to preserve our people, if we want to bring in from all countries the right kind of people, and induce them to stay in Canada instead of passing over to the United States after they have remained here sufficiently long to comply with the requirements of the quota law enforced by our neighbours to the south, there is something

more to be done. We have to put Canada on a proper economical and social basis, and there I come back to the point I spoke of at first. It is all very well to deal at this session with the tariff, at another session with the income tax; but as long as we do not develop in the minds and hearts of all Canadian men and women, fathers and mothers of families, that all in all—morally, intellectually, economically, socially and politically—their children will be better off in Canada than in the United States, or better off than they were either in England, Germany, Russia, France, Italy, or any other country they may come from, it is useless for us to talk of having a tremendous immigration policy to people our country. We will go on as we have done since confederation, under all governments, under all policies, not filling the country, but making of Canada the sieve through which the best of our blood, and the best of the foreign imported blood, goes to the United States.

But, sir, there is something more. If we want to attract the right kind of Europeans—and here I refer especially to the good people of Britain, to the right kind of Englishmen, of Welshmen, and of Scotchmen—it must be made clear to them that when they come to Canada they leave aside the quarrels and the war stress of Europe. It must be made clear to them that under this much disputed equality of status, upon which much discussion will take place for years to come without any solace for the common people, that Canada is not at war every time England may be at war. It means that Canada, situated as she is and occupying one-half of the continent of North America, having lived in peace for a century with the country to the south of us, is determined to maintain peace with all countries on earth, with all countries on both sides of the two oceans which wash her shores. In that respect I fully agree with the policy pursued by the present government in enhancing, gradually and not in any hurry, the position of Canada in the international world. They do it, and I know this to be the case, not only with the full assent but with the full sympathy of the best minded Englishmen. That is shown by the utterances of Mr. Ponsonby, who was quoted yesterday by the hon. lady member for Southeast Grey (Miss Macphail), but there are many Englishmen—not only radicals, not only Liberals, but some of the best Tories, some of whom I had the honour of meeting again last year—who want to see the dominions, but especially Canada, force, so to speak, the whole British Empire as a world power to impose a policy of peace upon the world. In that respect the presence of our representative on the council of the League of Nations is worth, to my mind, much more than many of the other emblems of liberty or of domination, of which we have boasted for many years in the past, because there can be no doubt that, on the council of the league, Canada is not sitting as a tool of the British government; Canada is represented as a nation. I said last year, and I repeat it to-day, that neither Sir Austen Chamberlain nor any responsible English statesman, would ever state that the British Empire was represented by two voices on the council of the League of Nations whilst other nations have only one. Of course, they know that Canada is there for her own sake, and they want her to be there as such. There is this further fact: In view of the present conditions of things in the world, England is the power which is most interested in making peace as permanent as it can be. I have said it in my own province, and I repeat it now, that I have the deepest admiration and the fullest sympathy for the attitude taken in the last six years by the British government, and I am prepared with my humble voice and through the influence of the Canadian government, to uphold that policy. Not as the slaves of England, but as free Britishers talking in the name of a free British country, we should take this position in face of the representatives of that magnanimous country: Now that you are talking peace, now that you are working for peace, we will help you out. The moment you unmuzzle your guns and work for war again, we will be against you. We are prepared not to leave you but to accompany you on the path of peace, never on the path of war. If we do that, if we do it at Geneva and elsewhere, we shall not only accomplish our duty to Canada but we shall have rendered a service to Great Britain, to the true Britain, to the Britain of the masses, to that great nation which has done so much to enhance ideas of liberty, properly balanced methods of government, ideas of social justice in spite of so many obstacles put in her way by some of her own people. If we do that we shall have accomplished our full duty as Canadians and as associates of the British nation.

In that regard again, I fully commend the policy of the government in appointing representatives of Canada, not only as trade commissioners, but as foreign ministers or residential ministers—the title is nothing to me. Because, take Europe for example. It is all very well to have a representative in France, an official representative, who now for the

first time in half a century will have the right to step in at the Quai d'Orsay and have a heart to heart talk with the foreign minister of France, a thing which he could not do before because he was considered only as a sub-clerk of the High Commissioner's office in London. I know as a matter of fact that both Mr. Fabre, and Mr. Roy, have been prevented from communicating with the French government because the Foreign Secretary of the time at London did not want them to be known as representing Canada. Now, however, they will be able to talk and exchange their views freely. If you have a representative in Berlin—

Mr. SPEAKER: I am sorry to interrupt the hon. member, but his time is up.

Mr. BOURASSA: I think I have three minutes yet, Mr. Speaker, I was looking at the clock.

Mr. SPEAKER: The hon. gentleman must respect the chair.

Mr. BOURASSA: Very well, Mr. Speaker, if my time is up I shall reserve the rest of my remarks for another occasion.

Mr. FINLAY MacDONALD (South Cape Breton): It is difficult at any time to address this house with confidence. That difficulty is intensified when one has to follow such a brilliant orator as the hon. member for Labelle (Mr. Bourassa). For the nice things that hon. gentleman said about the maritime provinces we are duly grateful. We had the honour of a visit from him last summer, and we all look back to that visit with a great deal of pleasure. The hon. member addressed several meetings in the maritime provinces, and although we do not agree with everything he says, we must all regard him as having a great deal of reason for the faith that is in him. It was evident that at least some of his remarks this afternoon were not receiving unanimous assent, particularly from members on this side of the house, but his remarks on immigration will, I believe, receive the commendation of a great many. The subject of immigration is a somewhat difficult one. Even our Minister of Immigration (Mr. Forke), in his speech yesterday, admitted that he had many things to learn with regard to immigration. From press reports in the various parts of this country it would appear that that opinion was fairly generally shared, and possibly the minister's statement was the only thing required to make it unanimous. I think we can agree with the hon. member for Labelle in regard to at least two of his grounds, first, the great desirability of retaining Canadians in our own country. That, I think, should be the first aim and object of an immigration department. The second, and one of equal importance, is the desirability of selected immigration. I, for one, am not in favour of throwing down the bars and allowing everybody to come to this country. We have at the present time three or four examinations of intending immigrants, one before they leave, one on the boat and one when they arrive. There should be but one examination, an examination before the immigrant breaks up his home and makes all his preparations for leaving his own country. That is the time when the one and final examination should be made.

With regard to the observation of the hon. member for Labelle that if England ever goes to war again, we shall be able to stand aloof, I think very few in this country will subscribe to that view. If England is at war, we are at war and there is no escape from that fact. We are either a part of the British Empire or we are not. If we are a part of it, we must bear our share of the responsibilities of that empire, and I believe that at the present time we are not bearing our full share of our responsibilities towards the empire.

With reference to the observation of the hon. member that in inducing immigrants to come to this country, it would be a greater attraction to them to hold out the higher moral ideals we have here than our material resources, I fear that many of us, who have not the same lofty ideals as the hon. member for Labelle has, will find it difficult to subscribe to that doctrine, and I am afraid that from a practical standpoint, when you endeavour to induce anyone from the old country or any other country to come to Canada, the material inducements will weigh more heavily with him than any moral inducement we can offer him.

The debate on the address in reply to the speech from the throne has on this occasion taken a very wide range. It is, of course, customary in a debate on the address to allow the widest latitude and to permit hon. members to discuss questions of interest to any part of Canada. This year for the first time in our history we have placed some restrictions on that, and although a member is allowed the widest latitude, he is circumscribed somewhat by the fact that he is obliged to confine himself to forty minutes. The debate on the address has already gone far enough to indicate that the wisdom of the rule which we adopted last year has been justified. It is pleasing to note that throughout all the speeches very kind references

were made and deservedly made to the hon. gentlemen who moved and seconded the address. I did not have the pleasure of hearing but I read both addresses, and I want to join in cordially congratulating both the hon. member for Hants-Kings (Mr. Ilsley) and the hon. member for Provencher (Mr. Beaubien) on the way in which they discharged their duties in that respect. With regard to the mover of the address, it may be said that a sort of maritime clannishness would make our congratulations to him a little more cordial; but in view of the remarks made by the hon. member for Pictou (Mr. Cantley), I fear that the house might regard with considerable diffidence any observations I might make lauding the clannishness that should distinguish maritime members. Although, however, we may and in all probability will hold divers political views, we can all rest assured that the hon. member for Hants-Kings and the other members from the maritime provinces will all be united on any matter affecting the interests of their home provinces.

In looking over previous debates of this character I think one strain, one general criticism, will be found to follow through all the speeches of the opposition, and that is that the speech from the throne contains very little to commend itself to the House of Commons. It is possible that, in days gone by, that criticism was not wholly warranted, but I do not think there is very much doubt that the criticism in regard to the present speech from the throne is that it is to be regarded as not much more than a curtain-raiser. There are in it some things that deserve consideration, and the first matter is the reference to the good results that flowed from the conference that took place last year between the various provinces and the federal governmnt. I am glad of that; I think the conference was a very wise move, and in years to come it will be found desirable at certain periods to hold such conferences, because with the growth of the newer provinces and the changing conditions throughout the whole of Canada, readjustments of relationships between the various provinces and the federal government will be found necessary. Of course, the various provinces are not all of the same political faith as the federal government, and it is very desirable that that should be the case. It is said that the view was held by Sir John Macdonald that it was very desirable that the various provincial governments should be opposed politically to the federal government because, if they were all of one political faith, he believed there would result a gigantic political organization that would be a menace to the state. Whether that is true or not, I think most of us on this side will subscribe to it, particularly as long as the present government remains in power.

It appears that several recommendations of the Duncan report are receiving consideration. The Duncan report which will no doubt take its place, Mr. Speaker, as one of the most important political documents in our history, has already done considerable good. It has given new life to the people of the maritime provinces and I think, if I might be allowed to say so, that the psychological effect of the Duncan report was of considerably more importance to those provinces than the material benefits that have so far flowed from it. Some over-enthusiastic admirers of the present government have gone to the length of saying that the recommendations of that report have been fully implemented by the government. This is not the case, and do not let us for one second imagine that such is the case. I am going to read an article from a magazine published in the maritime provinces entitled "The Busy East," reporting a speech made by Mr. Simms, who was president of the maritime board of trade and was largely instrumental in framing the case for the maritime provinces before the Duncan commission. Among other things in his address at St. John he said:

> The Financial Post of November 18 published a fair and accurate synopsis of the Duncan recommendations with what had been or left undone in the case of each. The synopsis in question shows that up-to-date, but two of the 30 recommendations have been fully implemented, i.e.: The passing of legislation to bonus coke ovens and the total payment of the immediate interim lump sum grants. Only one-half of these grants was paid as at July 1 last. However, at the recent Ottawa conference of premiers, the immediate payment of the other half was secured.
>
> Then five of the recommendations have been partially implemented. In the case of other 11 no action has yet been taken. Possibly, the remaining 12 may receive later attention.
>
> While not unduly impatient, and recognizing that such chronic and far reaching troubles do not often lend themselves to speedy adjustment, it is not unreasonable that the maritime provinces should be anything but satisfied with the action to date regarding the Duncan recommendations. Most maritime people fully appreciate that a lot of hard and unselfish work has been done by their ministers and members on both sides of the house have given our cause loyal support. This is so obvious that we see no reason why anyone should shrink from facing the facts of the case as they exist to-day.
>
> Surely no patriotic Canadian would deliberately make statements calculated to mislead the public as to the position of these recommenda-

tions, but we submit that certain statements have been made that admit of no alternative construction save that of ignorance of its true standing which is equally unfortunate in its effect.

As a result, many conscientiously believe that all of the recommendations have been implemented in toto, and that maritime troubles have consequently ceased to exist. Nothing could be further from actual fact. This statement is absolutely untainted by political partizanism. In our maritime effort there is no place for the distorting touch of party politics. We must strive to see and deal with things as they really are if we are to win for our provinces the justice and fair-play to which they are entitled. We must make their interests our one clear objective to which party politics are sedulously subserved. Thus, by being true to our provinces, we shall be true to ourselves and to Canada as a whole.

I do not know the political affiliations of Mr. Simms, but I know him to be a man of considerable standing in the maritime provinces, having been president for a number of years of the maritime board of trade. We must in all fairness realize that all of these things cannot be done in a day, and I think we are all satisfied that the government honestly intends to carry out the recommendations of this report. On this point I may say that the government gave as an excuse for not carrying out the recommendations of the Duncan report with regard to steel last year the fact that at that time the various steel companies in the maritime provinces were in litigation and the government did not think the time opportune for dealing with that question. The press the other day told us that all these difficulties have now been smoothed away, that a new and powerful organization has been formed, and that the ownership has changed hands. That was very good news indeed to the maritime provinces because we felt that any change would be for the better, and now that that objection has been removed we hope that the government during this session will do something in the way of implementing that particular recommendation in the Duncan report. Our hopes in that respect are heightened by a statement that was made by the Postmaster General (Mr. Veniot) in a speech made in his native province a short time ago. I am quoting from an editorial in the Halifax Star of January 21, 1928, a paper that is favourably disposed towards the present government. It says:

> An announcement of more than ordinary significance was made at Saint John by the Hon. P. J. Veniot. This is the report as given in the Saint John Telegraph:
>
> "The government of Canada has implemented to the full every recommendation of the Duncan report, with the exception of two—the Valley railroad project and the bounty to the Sydney steel plant. These two matters, however, were receiving the serious consideration of the government and within a few weeks the policy would be divulged, which would make every maritimer feel proud."

This has reference to the unfair treatment given the steel works by the customs tariff. The steel companies up in Ontario were organized later than the Sydney plant. They brought their coal in from the United States. There was a duty on coal. The steel companies were allowed a 99 per cent, drawback. In other words the government handed them back 99 per cent of the duties they paid on coal. That is, the other steel companies have been bonused for years out of the revenues of Canada, while the Sydney steel works could sink or swim. If the companies in Ontario deserved a bonus, then the Nova Scotia plant had a right to the same bonus. It is just an example of how the tariff is doctored to suit particular interests.

The Duncan commission saw the unfairness of it. It recommended "that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture."

Because of the litigation which was going on the government delayed action on this recommendation. Now action will be expected shortly. In fairness the back payments should be made—otherwise the Sydney plant is not placed on an equality with the steel plants in Ontario.

I do not know whether the minister was speaking out of turn or not, but whether he was or not, he certainly gave us hope in the maritime provinces, and we will wait patiently for the fulfilment of the promise of the Postmaster General.

There is one other matter which is the key-note of the speech from the throne, and that is the prosperity of Canada. We are told that this is a very prosperous country, and the speakers supporting the government have lauded the administration for what they have done to bring about this prosperity. Unfortunately, nearly all the speakers tinge their laudatory remarks with an undertone of regret that the prosperity which exists in Canada did not particularly affect the place where they live. Even the hon. Minister of Immigration (Mr. Forke), yesterday, while praising the government for what it had done, regretted that the province of Manitoba had not shared in the same prosperity and the same regret was expressed, I think, by the hon. gentleman who moved the address in reply. But we are prosperous. We know we are prosperous, because the government tells us so and the Prime Minister proves it. He read from reports of the various bank presidents, from the various financial interests throughout the country, setting forth the fact that we were prosperous. Now who are we

to say that we are not prosperous when these people tell us that we are? That is a very general statement. When I go to my own county I find a number of men and women there in dire distress. Thousands of men and women in Cape Breton to-day are in need of food and clothing. They are receiving assistance from their brotherhood, and from their town. Collections are being taken all over the province of Nova Scotia to send relief to the mining districts of my county in Nova Scotia. The same story comes to us from all the industrial centres. Members on the government side have told us of being approached on the way to the theatre by people looking for a hand-out. The same thing happens in the west. From everywhere comes the same story. But everywhere we are prosperous! The banks are prosperous, yet those of us who have to negotiate with them, or discount a note once in a while in a bank, have a very shrewd idea where the prosperity is coming from. We are the people who are making the banks prosperous, but we are not sharing in that prosperity. You cannot have a country half slave and half free. You cannot have a country half prosperous and half destitute. Such is the condition that exists in Canada to-day. This prosperity is illusive. No person appears to be able to put his finger on it and say where it is. It is difficult to find it, and it will be still more difficult to find out in what respect this government has in any way contributed to it, even if it did exist. In my county there is destitution. I have in my constituency as fine a body of men as is to be found on this continent—men who are anxious and willing to work, but cannot get work and men who have been in the habit of being employed in the mines but are told there is no work for them, and the men who are not paid at the same rate as miners in other parts of the country. From report No. 11 issued by the Labour department, which reached me the other day, I find that in Nova Scotia the miners received the following wages:

	Nova Scotia	Alberta	British Columbia
Contract miner	$6.62	$7.74	$6.76
Hand miner	4.15	5.50	4.52
Labour under ground	3.35	4.25	3.97
Labour surface	3.25	4.20	3.76
Carpenters	3.85	5.30 5.77	4.83
Blacksmiths	4.00	5.30 5.77	5.11

Every year for the past four or five years the same condition has existed. The miners are working a little in the summer and idle in the winter. They never make enough in the summer to carry them through the winter and are appealing to the people of the province of Nova Scotia for assistance. I have a statement, which I will ask permission to place on Hansard, of the number of days lost in the various mines in the county of Cape Breton in the year 1927. It is as follows:

	Days Lost	
No. 1B	11	Night 209
No. 2	104	
No. 4	92	
No. 5	85	
No. 10	73	
No. 11	70	
No. 12	64	
No. 14	83	
No. 16	66	
No. 22	84	
No. 24	84	
Princess	114	
Florence	118	

Now there must be some remedy for such a condition of affairs. The hon. member for Bow River the other day pleaded for a statutory rate which would be somewhat below the rate quoted by the railway commission—that is absolutely out of pocket expenses—for moving coal from Alberta to Ontario. The difference between the statutory rate that the hon. member wants and the rate that is fixed by the railway commission must be met, and must be met out of the federal treasury. That means that the industry in Alberta must be assisted out of the federal treasury to the extent of that difference. Yet this is the same gentleman who last year protested so strenuously against the granting of a bounty to coke ovens. Is not this a bounty he is asking for now? It is, call it by whatever name you like; it is assistance. Whether that assistance be given in the form of a refund of rates or as a bonus, the principle underlying both methods is the same. I am glad that the hon. member for Bow River has at last seen the light, and I can assure him that we will join with him in endeavouring to get that rate, because then we shall hope to share in it with him. On account of the distance separating us, I could not very well see what effect the hon. gentleman's remarks were having on the hon. member for Rosetown (Mr. Evans). I can imagine that his soul must have writhed in agony at the thought of a colleague of his preaching such a political heresy as that. A bonus! I do not know whether the hon. member for Rosetown was present or not, but if he was I am very much surprised in-

deed that he did not rise and protest against such utterances on the part of the hon. member for Bow River.

It would appear, as set forth by the hon. member for Pictou (Mr. Cantley) this afternoon, that the only possible hope for us just now is the statutory railway rate which the hon. member for Bow River has asked for. If we can obtain such a rate for the movement of coal from Cape Breton to Montreal, then we shall have gone far towards relieving a situation which is quite painful but which we have to face every day. The miners of Cape Breton appear to be of the same opinion, and I am in receipt to-day of a resolution passed by the New Waterford board of trade. New Waterford is one of the important mining districts in the county of Cape Breton and at a meeting of its board of trade held on January 26 this resolution was adopted:

Whereas, for the past five years the New Waterford coal mining district has suffered through intermittent unemployment during the winter months; and

Whereas, at the present time our three collieries are operating on an average of only two days per week; and

Whereas, relief from outside sources has been necessary for the sustenance of two thousand New Waterford families who are solely dependent upon the coal industry for their maintenance, which the aforesaid conditions render inadequate; and

Whereas, experts consider our coal to be the best available for domestic and metallurgical purposes; and

Whereas, there is an immediate market available in the province of Quebec sufficient to provide continuous employment at our collieries during the entire winter season; therefore

Be it resolved that, we respectfully ask you to recommend to the federal government a suitable adjustment of the existing freight rates over the Canadian National railways, in order to make it possible to market our coal in the province of Quebec and intervening points in competition with and in preference to the foreign product; and

Be it further resolved, that in view of the present economic distress in the New Waterford district, we respectfully ask for your immediate consideration of this serious condition.

I submit this resolution for the consideration of the government. I had hoped to say something in regard to the coke oven scheme brought down by the government last session, but I see that my time is up. As pointed out by the hon. member for Pictou this afternoon, that scheme is totally inadequate. However, we shall have an opportunity to discuss it later on in the session.

Mr. C. E. BOTHWELL (Swift Current): In taking part in the debate on the address I do so more particularly for the purpose of referring to certain matters that apply more especially to my own constituency than to Canada as a whole. I was interested in the speech from the throne in its reference to prosperity. Whether Canada is prosperous in the degree we have been told in this house by various hon. members, or whether, as the hon. member for South Cape Breton (Mr. MacDonald) has endeavoured to make us believe, it is not prosperous, I still feel that in the part of Canada from which I am fortunate enough to come and which I have the honour to represent conditions are nothing like those described by that hon. gentleman. When he refers to thousands in his district being in dire distress, I think that every hon. member will agree with me that there is no such distress in western Canada, notwithstanding that we have matters there which we feel call for some remedy.

I should be remiss in the discharge of my duties if I did not add my voice to the general congratulation which has been tendered to the mover and seconder of the address on the splendid way in which they presented the motion to the house. The reference which was made by the mover of that address to the part of the country which he represents, and which I believe is in the vicinity of the district represented by the last speaker, stressed the prosperity of the Dominion. I believe that the past year has been a most memorable one in Canada's history. Last year the people of this Dominion had brought to their notice more pointedly than ever before the stage of development which we have reached. The celebration in July served to bring to the attention of the Canadian people quite forcibly the fact that we had gone possibly further than any other country in the world in a shorter time, and I think that all evidences point to the fact that Canada as a whole is in a prosperous condition. I do not intend to deal with that phase of the situation. I want to refer more particularly to certain situations which have arisen in western Canada.

If you go back a number of years you will realize that the early pioneers in the west settled at great distances from railways, and these pioneers made it possible for the western prairies to be opened up for settlement. They made possible the adoption of a great immigration policy, as has been pointed out by the leader of the opposition (Mr. Bennett). These pioneers in many districts in western Canada are still living great distances from railways and I believe that this is one of the reasons why we have an immigration problem on our hands. During the two sessions that I have had the honour of representing my constituency in this house, this being my

third session, many bills for branch line railways have come up and been passed, providing largely for construction in the northern parts of the western provinces, opening up new territory, which is of course necessary; but only in some instances have they taken care of the older settled parts of the provinces where the pioneers are entitled to some consideration. I have in mind a district in the constituency which I have the honour to represent. There the settlers have been for some twenty-five or thirty years, and they are still hauling their products to market for distances varying from twenty-five to thirty-five miles. It is said that the territory belongs to the Canadian Pacific Railway Company, whose main line runs through it. This company may build branches there without coming to parliament for a charter, but it has not yet seen fit to do so. The Canadian National railway, however, is within twenty miles of Swift Current and a few more miles from the district I speak of—a pioneer district containing probably as fertile and productive land as is to be found anywhere in Canada. As I say, the Canadian National railway is only a little more than twenty miles away, and while the territory may be described as Canadian Pacific territory, nevertheless I feel that if the Canadian Pacific Railway Company does not take advantage of the situation, the Canadian National Railways should have an opportunity of building a branch line without subsequent competition from the Canadian Pacific. If it were possible for this house to take such steps as might be necessary to shut a railway company out of a district, if it will not give that district service, in order to let another railway company supply the transportation needs, I think it would be the part of wisdom to do so. We do not want any more paralleling of lines, but if the Canadian Pacific Railway Company does not see fit to build into such a district, then I believe it is the public duty of this parliament to see that the pioneers in such a district are served with proper transportation facilities, so that the country may be made available for settlement, and the boys and girls of the pioneers, instead of becoming disheartened and going to the cities or to the northern parts of Saskatchewan, Manitoba or Alberta, will be satisfied to stay at home and settle the vacant lands. You cannot expect them to do so today when those vacant lands are twenty-five to thirty-five miles from a railway.

We in the west were all happy to see the decision made by the Minister of Railways (Mr. Dunning) last summer in selecting the port for the Hudson Bay railway. I think he is to be congratulated on the stand he then took. The investigation apparently was fully made, and any person who reads the report of Mr. Palmer will, I am sure, feel satisfied that every reasonable precaution was taken to make the proper selection.

The railway into the Flin Flon area I also believe will be an advantage to the people of the west, and I feel that the government is to be congratulated upon their action in that connection. But at the same time I want to ask the minister, who has shown that he is able to take the initiative, not to overlook the district to which I refer; its transportation needs have been brought to his attention on many occasions. Only this morning I received the Swift Current Herald dated February 2, in which the following reference is made to the railway situation:

> With both the provincial and federal parliaments in session, and absorbing as we do the daily reports of proposed legislation, we are again moved to feel vituperative in connection with the situation existing in this district in the lack of railway accommodation. The board of trade has held indignation meetings with monotonous regularity; delegations from the outlying farming territory unserved by railways have come and gone; resolutions in hamperfuls have been forwarded to Ottawa; floods of oratory have been loosed—we have been sadly neglected, discriminated against, so on and so forth—and in the end we find ourselves in the same old position, and farmers are still hauling their grain the odd twenty-five miles or so.

And further on occurs this passage:

> A lot of people feel that if the government were given an indication that the voters, regardless of affiliation, are ready to stand up and protest emphatically—and protest by force of the ballot—this district would undoubtedly be given consideration without undue delay. When hard-shelled voters, who have voted the same party ticket since being granted a franchise, feel that way about it, why something's going to happen sooner or later.

I read that simply to show the feeling of the people in that particular district. A few years ago the Minister of Railways was the provincial treasurer of Saskatchewan. In that office he realized some of the financial difficulties of the city of Swift Current, and now when we have an opportunity of getting concerns such as the Cockshutt Plow Company, the John Deere Plow Company and the International Harvester Company to establish branches in the city, but find them hesitating to do so because of lack of access to the territory contiguous to Swift Current that should be served with railway facilities, I think he should take this into consideration, remembering what took place a few years ago in that particular city and district.

Another matter that I propose to deal with concerns the Post Office Department. When

a change was made in the postal rates it necessarily brought under consideration the scale of postmasters' salaries, as many of our postmasters are paid on a commission basis. The present schedule provides for payment of only $60 per year for the postmaster of an office whose annual revenue is under $100 That means that a postmaster out in the country is paid some $5 a month—hardly enough to clean the kitchen where the people of the district gather to get their mail. I know many hon. members have districts in their constituencies in which it is almost impossible to find anybody to look after the post office. When a man does take on the duty it is simply that the district may not lose the post office, not because he feels he is being adequately paid for his services. Now, the post office is a public service, and whether it is paying or not I submit does not matter; the people are entitled to get service. Therefore when the revision of salaries is being dealt with, I trust the Postmaster General will take into consideration the representations which have been made by the Dominion Postmasters Association. They asked for slight increases, and for the benefit of the house I should like to give the following comparative table of salaries paid these officials in this country and in the United States. The statement is as follows:

Revenue	Present salary	Proposed salary	American salary	Revenue	Present salary	Proposed salary	American salary
$	$	$	$	$	$	$	$
100	60	100	160	2,200	860	1,475	2,100
200	100	200	320	2,300	890	1,525	2,100
300	150	300	480	2,400	920	1,575	2,290
400	200	400	565	2,500	950	1,625	2,290
500	250	500	650	2,600	980	1,675	2,290
600	300	575	735	2,700	1,010	1,725	2,480
700	350	650	820	2,800	1,040	1,775	2,480
800	400	725	895	2,900	1,070	1,825	2,480
900	450	800	970	3,000	1,100	1,875	2,670
1,000	500	875	1,045	4,000	1,400	2,375	3,050
1,100	530	925	1,120	5,000	1,700	2,875	3,400
1,200	560	975	1,195	6,000	2,000	3,275	3,600
1,300	590	1,025	1,270	7,000	2,300	3,675	3,900
1,400	620	1,075	1,345	8,000	2,600	4,075	4,400
1,500	650	1,125	1,420	9,000	2,900	4,475	4,900
1,600	680	1,175	1,530	10,000	3,200	4,875	5,400
1,700	710	1,225	1,720	20,000	5,200	7,375	8,400
1,800	740	1,275	1,910	30,000	7,200	9,875	10,900
1,900	770	1,325	2,000	40,000	9,200	12,375	13,400
2,000	800	1,375	2,100	50,000	11,200	14,875	16,000
2,100	830	1,425	2,100				

Mr. VENIOT: Does the statement indicate or show that it includes commissions on post office orders, postal notes and stamps?

Mr. BOTHWELL: No, it does not.

Mr. VENIOT: Well the American salary is fixed, and no commission is allowed. That is the difference between the two systems.

Mr. BOTHWELL: There may be some allowance, but so far as the country offices are concerned the amount derived from the sale of money orders and postal notes is very small.

Mr. VENIOT: The record shows it.

Mr. BOTHWELL: There is another matter in connection with the post office situation to which I should like to draw your attention, and that has to do with the railway mail clerks. I am only going to make one comment with respect to them and it is this: In Canada railway mail clerks work on Sundays and on holidays, and are called on at night. The maximum salary, as I understand it, in Canada, is $1,800, whereas in the United States the maximum salary for railway mail clerks is $2,600. Then, too, the minimum salary of the Canadian railway mail clerks is $1,140, as compared with the minimum in the United States of $1,800. I think it would only be fair to say, however, that our mileage allowance is higher than it is in the United States.

Mr. VENIOT: There is no mileage allowance in the United States. The railway mail clerks there are allowed a lump sum for expenses.

Mr. BOTHWELL: Yes, that is quite correct, but the mileage allowance in this country reaches a greater total than is allowed in the United States. Application has been made to Ottawa for a revision of salaries, and when the salary schedules are being arranged by the Postmaster General I hope he will take the claims of the railway mail clerks into consideration as well as those of the postmasters, particularly postmasters in the smaller offices.

Again in connection with the Post Office Department it seems to me, Mr. Speaker, that some arrangement should be made whereby officers in the postal service of this country who are interested and efficient might be transferred from province to province, or from town to town, if health or family requirements make such a change necessary. We have some postmasters who are most interested and most efficient. We have some postmasters in small offices who have brought about tremendous increases in the postal revenue by reason of the interest they have taken in their work. To illustrate what I mean I may say that I have here a circular that was drafted and sent out by a certain postmaster last year after the reduction in the postal rates. This man is greatly interested in postal work, and if I read a portion of the notice he sent out it will serve to demonstrate the great enthusiasm which he entertains for his work. For example I would quote these passages:

There is no safer method for sending money than by post office money order, no matter how large or how small the amount may be. Because the public is learning more and more to appreciate the dependability which can be placed on the services rendered by the post office, explains why instances are increasing where people send thousands of dollars by post office money orders. This public confidence is growing, because:

1. The post office benefits everybody, and is absolutely impartial. It does not favour any one at the expense of anybody else, the rates being exactly the same to everybody, for whatever service may be rendered.

2. The post office carries your message or money safely, promptly and cheaply, and is at your service continuously.

3. The post office is your institution. It belongs to the public. The more you patronize it, the more will you help develop and extend its usefulness. Please remember, it does not operate with a view to create a surplus, but all its earnings are employed in improving the service. As you help create benefits, you likewise share them.

4. The post office is used by everybody in some way. Therefore, the surest way to reach anybody with a message or with money, is to employ the method which reaches the most people.

The cost of mailing a letter has been reduced to two cents. Think for a minute what a two-cent stamp will do for you. Everybody is benefited by this reduction. However, it means a tremendous reduction in the revenue of the post office, which can be off-set only by making greater use of all the different kinds of service which it offers, such as:

1. Writing more letters.
2. Sending out more advertising matter.
3. Sending more parcels by mail.
4. Taking advantage of the security offered by having parcels insured for a very small additional fee.
5. Registering all important letters or other items which affords added protection in handling.
6. Sending merchandise c.o.d. which secures prompt payment.
7. Sending money by post office money orders (these cover the globe) or, for small amounts payable in Canada only by using postal notes.

If you want to pay your taxes, or mortgage, or an account at some other point, or make a payment on land you have bought, or send money for any other purpose, remember, there is no safer method than by post office money order. If for any reason it should be lost or accidentally destroyed, you can obtain a duplicate, without one cent of expense.

These are some of the ways by which the post office serves you. You will admit it is a very good and useful service, and the way to maintain good service is to use it extensively. Therefore, use the post office in every way you can, and as often as you find it necessary to transact any kind of business which it can do for you.

I submit that a man who takes interest enough in his post office to get out matter like the foregoing is very much needed in the public service, and when it becomes necessary for him, through health or family reasons, to move to some other part of the country, surely it should be possible, under the Civil Service Act if you will, to have that man transferred in accordance with his own wishes. Corporations such as railway companies, banks and trust companies seem to shift their best men around from one province to another, or from one city or town to another. Why should not the same policy be pursued in the public service?

There is one other matter I should like to touch upon, and that is the question of federal grants for highways. Hon. members will recall that in 1919 an act was passed, making provision for an appropriation of some $20,000,000 to the various provinces in Canada to be expended in the construction of highways to be approved by the federal government. The latter was only to contribute some 40 per cent of the money re-

quired for building these highways, the provinces putting up the balance of 60 per cent. In the older settled parts of Canada, certainly in some parts, there are good highways, but that grant of $20,000,000 gave western Canada only a start because we have a tremendous mileage with a comparatively small population. The United States have made federal grants to the extent, I believe, of about $725,000,000—too much, I believe, judging from reports received from the United States as to how the people there feel they are taxed. I believe an appropriation such as was made in 1919 is within reason and would assist materially in regard to highways. As we hear from almost every speaker in the house we have on our hands an immigration problem. If we have good roads, we have practically on our doorstep about 120,000,000 people, many of whom are looking to Canada. With good roads and with the number of motor cars that are being used now, it is easy for these people to cross the line and to travel through Canada, but they are not coming in the numbers they would come if we had better roads. Interprovincial highways, transcontinental highways, highways north and south, which might be assisted by the federal government would be of inestimable value in settling the country. A visitor to the south of the line just a week or so ago, a man who is now controlling some thousands of acres of land in western Canada and a man who knows the type of farmers that are needed for the west as settlers, has this to say in speaking of the United States farmers:

> When the unrest and discomfort of the agricultural class is so freely admitted by the press, the politicians and the large land dealers in the cities, one may be sure it exists among the farmers to even a more intensified degree. I had the opportunity to learn this first-hand, not from chronic kicking individuals, but from highest authorities in the land business as well as from our own Canadian government agents.

In speaking about immigration to this country, he says:

> It is a large subject and no attempt will be made to touch its many aspects, but I am reliably informed by two Canadian government agencies as well as by colonization agencies and private conversation with some individual farmers that there is considerable immigration interest.

That is south of the line.

> While we maintain sixteen Canadian government agencies, and some of them are doing good work, it looks as if more could be done to promote the immigration of seasoned and experienced farmers with equipment to settle upon our lands; there is a class of such farmers available and they would bring no assimilation problem with them, and are even more adaptable to conditions here than our English cousins.
>
> The average American prospective immigrant is fully equipped with horses and machinery, stock, household effects, and enough money to take care of himself for perhaps a year, and would be prepared to rent or buy on a very easy payment plan.

My contention, therefore, in connection with grants to highways is that by good highways we would open up the country to such an extent that we would induce more settlement from across the line; we would induce more people to come from there, and travelling through the country as tourists, or in whatever way they come, they will make the best kind of immigration agents for us.

Coming again to railways, I think it was in 1926 that the hon. member for Kenora-Rainy River (Mr. Heenan) referred to the 1908 strike of railway shopmen in this country. I have been informed that the Canadian Pacific Railway Company are now laying off men when they attain 65 years of age, and because they took part in that strike of 1908, the company are refusing to pay their pensions. If this is a fact—and the facts are true in at least one case so far—I believe this is a matter with which parliament should concern itself. The railway companies, as I view the situation, have been paid in freight rates by the people of this country sufficient money to take care of their pension schemes. The money has been received by the railway companies but it is not being paid to those persons who have become entitled to it. I have in mind one instance of a man who worked for forty-five years for this company, and I am told that there are no black marks against him in connection with his service with the exception of the fact that he was out on strike in 1908. He went out on strike with the shopmen not knowing beforehand that a strike was about to be called; as a matter of fact he was acting in that particular capacity for only about eight days before the strike was called. On attaining the age of 65 years a few months ago he was laid off and a pension is refused. As I view that situation, it seems to me that the government of this country should take the matter up with the railway companies who have received the moneys that are payable by way of pension. I do not know what effect an appeal may have, but if an appeal does not have any effect, I hope and trust that action can be taken whereby such a condition cannot arise in the future. The

1908 strike, as I understand it, was a legal strike and the men are not entitled to be penalized to the extent to which they apparently are under the ruling made by the company.

There are many other matters which might be dealt with, but they can be discussed better on the budget debate and I just wanted to bring to the attention of the house at this time the matters to which I have referred, particularly in connection with those districts —the constituency which I have the honour to represent is not the only one by any means—which are apparently being discriminated against in regard to railway construction, when other portions of Canada are being served in order to bring in settlers from other countries to populate our country.

Mr. L. H. JELLIFF (Lethbridge): Mr. Speaker, in view of the hour and the reception which I understand is being held for Mr. Kellogg, I suggest that you call it six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. L. H. JELLIFF (Lethbridge): Mr. Speaker, in rising to make a few remarks in reference to the subject which is now before the house, I wish first of all to conform to the polite conventionalities which attend this occasion. I wish to extend my heartiest congratulations to the mover (Mr. Ilsley) and seconder (Mr. Beaubien) of the address in reply to the speech delivered at the opening of this session by His Excellency the Governor General. Congratulations have been showered upon the hon. members who performed this function, and very justly so; they carried out the task committed to them with credit both to themselves and to the constituencies which they have the honour to represent. But as I sat here quietly, reading the speech from the throne and listening to the eloquent comments upon it which were being made by the mover and the seconder, I could not help thinking that they were employing a great deal of rhetoric and exerting a very considerable effort in spreading their decorations over a barren fig tree; for I must admit that I am quite in agreement with the comments of a good many members who have spoken in this chamber as to the paucity of legislation forecast in the speech from the throne. This, to my mind, is particularly notable, and perhaps particularly open to criticism, when one has in mind the things which have been occurring throughout our country during the last year, especially the events in connection with the celebration of the diamond jubilee of confederation. All over this great land of ours from one end to the other, from the capital to the little school house away out on the prairie, we were eulogizing the magnificent efforts of the fathers of confederation who brought together the far-flung provinces of this Dominion into one great federal whole and gave us the opportunity for the development of this northern part of the north American continent. It seemed to me, Mr. Speaker, in view of all those celebrations, of the inspiration which comes from recounting the achievements and accomplishments of the great fathers of confederation, and of the manner in which the various booklets and publications issued in connection with the celebration have brought home to our people the wonderful development which has gone on here, that that inspiration should have been so great as to bring us, in our legislative program for this year, to a feeling which would raise our level infinitely beyond what it was before, and thus advance materially the development of the land we all love. That is the criticism I have to offer in reference to the speech from the throne, and to the absence therefrom of so many matters which have been discussed pro and con throughout the length and breadth of this land during the last year. It seems to me there should have been in the speech from the throne an indication of the measures which the government propose to lay before parliament during the present session.

As I have said, that is by way of criticism. There may be reasons for the omission of items of legislation with which I am not familiar. I have no desire to be unjust to the government in the matter; I have no desire to utter a single word which will embarrass them in carrying on the great work committed to their charge. On the contrary, I think it may fairly be said of me that in all things I have wished to uphold their hands and to help them. That, I believe, is the attitude to-day of every member in the group with whom I am associated, and also of those who sit on your left, Sir, in regard to the coal proposition, to which I wish to refer later.

I have referred to the mover and seconder of the address; I do not wish to omit mention of the newly selected leader of the opposition (Mr. Bennett). I want to associate myself with the remarks made on the opening day of the session by the leader of our group. The leader of the opposition is a citizen of my own province, one of whom we are all proud and who is qualified in every

respect to hold and to fill with efficiency the position to which he has been chosen. We in Alberta take especial pride in honouring the leader of the opposition in this house. We take especial pride in his attainments. He has raised himself to one of the highest positions, if not the highest, among the citizens of our province, and this by virtue of his sterling worth and exceptional industry, pluck and ability, and his name to-day is known not only in his own province but throughout Canada and wherever the English language is spoken. We are proud that he represents Alberta, at least in this house, and we feel that, with us and with the government as well, he will be of great assistance in the endeavour to solve the problems of western Canada and of Canada as a whole, with which he is so thoroughly acquainted.

There are not in the speech from the throne very many things with which I wish to deal. As I have observed, there is a notable lack of legislation mentioned in the speech, a fact which I regret for the reasons I have stated. During the last few months the newspapers and the people have been predicting what measures would be brought down this session. The press has been discussing the great problems which concern us as a people. I am going to read the prognostications of one newspaper and its view of the duty of this parliament and what is to be expected of it. And what is said in this article has, I presume, been repeated over and over again in other newspapers from one end of the country to the other. What I am about to read is taken from the Calgary Herald, which I take it is a Conservative paper, but a paper which none the less is highly respected in the west and which can rightfully assume to predict what it expects in the way of action by this parliament. I quote:

> The parliament of Canada is about to open the session of 1928. The government and members of parliament will have to deal this year with certain problems of exceptional national importance.
>
> The preparation of the budget is an annual task that involves much labour. The people of the country do not appreciate how much thought goes into it. One may safely say that no government or minister of finance treats lightly the duty of raising the money required by the country. The probable effects of changes in tariffs are not made with disregard of the interests of industry nor do those in positions of responsibility, of either party, ignore the tariff views of large bodies of Canadian opinion. This explains why the Canadian tariff has been fairly stable over a period of years. Governments have given careful thought to three main considerations: the desirability of promoting sound manufacturing and commercial development in Canada; the safeguarding of the interests of those who have to buy protected products, and the necessity of securing adequate revenues.
>
> Parliament will learn of the first recommendations of the newly-created tariff advisory board. Whether these recommendations will bear upon this year's budget is not yet known. The safer course would be for the government to abstain from any serious tariff changes at this session, and give parliament the opportunity of examining the new recommendations made by the board. This board has grave responsibilities, and the people of Canada can have confidence that it will act with a full realization of these responsibilities.
>
> Two other matters of first-class importance will come before the house. The question of the construction of the St. Lawrence waterway, which embraces large transportation and power problems and entails a huge expenditure of public money, is not one that any government will decide hastily. The other major matter that will be before parliament is that of Canadian coal for central Canada. Decision respecting this will rest with the government. It now has before it all the facts for which it asked when it instructed the railway board to ascertain the out-of-pocket expense to the railways of carrying Alberta coal to Ontario. The way for the laying down of a national policy has been cleared. Public opinion in Canada strongly favours such policy. The people of this country would like to see an experiment over a period of years made, to learn definitely whether a considerable substitution of Canadian fuel for American is an economic possibility.

I do not need to read further from this article. I have read it simply to indicate the current of thought in Canada at the present time and because it seems to me that attention should have been paid in the address to the matters therein referred to. Most of the things mentioned in that article—things which have been the subject of discussion from one end of Canada to the other—are omitted from the speech from the throne; at any rate they are not mentioned specifically. It may be, as I said a while ago, that there is some good reason for the government not mentioning those important issues. It may be that the policies referred to in this and other articles are difficult of solution, and the government do not feel that public opinion as yet is crystallized sufficiently in regard to them to proceed therewith. But on some of these matters I am sure the people are united in opinion from the Atlantic to the Pacific, and if there is one issue among those mentioned upon which there is unanimity it is that rates should be fixed by our railways which will carry Canadian coal from Nova Scotia and Alberta to central Canada, and so solve this coal problem.

I have a particular interest in this problem as member for the Lethbridge constituency,

which is one of the large producing coal sections of this country. I have in my hand an estimate from the Lethbridge Herald of the wealth produced during the past year in the Lethbridge freight district, and I want to read a few of the statements in this estimate so that the house may understand my intense interest in the solution of this coal problem. Here is an account, approximate to be sure, but carefully prepared by the leading newspaper of that district, which is constantly keeping track of the local production:

Wealth production of the Lethbridge division of the Canadian Pacific railway in 1927.

Wheat	$44,000,000
Other grain	6,000,000
Sheep and wool	1,800,000
Cattle and hogs	5,750,000
Poultry and poultry products	2,250,000
Dairy products	4,000,000
Potatoes and vegetables	1,250,000
Hay and feed	2,000,000
Honey	50,000
Total agricultural products	$67,100,000
Coal, oil and gas	$11,500,000

The coal production is second only in value to the great grain production which we have in that district. We have a large coal mining population; some of our mines are turning out 200,000 tons to 250,000 tons per annum, such mines employing from four to five hundred men. Consequently the problem of the movement of coal is a most serious one in that district. It is even more serious for Alberta as a whole.

I am looking at this problem to-night, Mr. Speaker, as I am addressing you briefly on the speech from the throne, from the human standpoint, the standpoint of employment for the men of that province. I have before me the annual report of the mines branch of the province of Alberta. Turning to page 53 I find that there are employed in the mines of the province, underground, 8,669 men, above ground, 11,365, a total of approximately 20,000 men. Now, multiply that by five to represent the families of these miners and you have 100,000 people in the province whose livelihood depends upon the mining and transportation of coal. In other words, one-sixth of the entire population of the province are intimately concerned, and to them it is a very serious problem. This report shows that the men are engaged for only half of each year. Beginning in February and continuing through March, April, May, June, July and August until some time in September the mines are practically idle, the miners are thrown out of employment, and at once we have a serious problem on our hands. Time and time again there have been presented to this house telegrams from the mining camps of Alberta asking for relief from the government. What we want is a rate which will move the great coal stores of Alberta and make them available for the people in the province of Ontario. I am in favour of a statutory rate for this purpose, and I am here to advocate it to-night. I do not want to embarrass my warm-hearted friend the Minister of Railways and Canals (Mr. Dunning). I do not want to embarrass the head of the Canadian National Railways and the Canadian Pacific Railway. I am interested in the success of those two great railway systems comprehending within their mileage as they do twenty-two thousand and seventeen thousand miles respectively; but I believe the executives of those railways can make rates that will move our coal to Ontario. I urge the government, either by the introduction of a bill fixing a statutory rate or by other means, to meet this situation so that the coal can be moved to the points where it is needed and the miners can be employed. As I stand here talking to-night my heart is with those miners and their families in the coal camps of Alberta. This is a matter of importance even to the Minister of Immigration (Mr. Forke), with whom I have a great deal of sympathy. Probably he has on his hands one of the hardest problems of any minister of the government. I say to him, if you solve this coal mining problem, you will help to solve your immigration problem so far as Alberta is concerned. In order to support their families those miners have to go from the mines for six months each year and find employment in other occupations. Relieve them from that necessity, especially from the necessity of assisting on the farms, and you afford an opportunity to place in that province a large number of farm immigrants, who in turn will ultimately become farmers and owners of farms themselves. In that way you will help, in a measure, to increase the population of the country and to solve the immigration problem.

The railways say that they cannot do what is suggested. In my boyhood days I heard a saying, which is attributed to Cardinal Richelieu, "In the lexicon of youth there is no such word as fail." I want to commend that saying to the presidents of our great railways. I do not believe we have yet reached that point where we have secured the highest efficiency or economy in the transportation of commodities in this country. I can remember the early days in farming in Alberta when we thought that a car that would haul 600 or 700

bushels of wheat to the market was doing us a pretty good service. Later on larger cars, which conveyed 1,200 to 1,300 bushels, were built. They were succeeded by cars carrying from 1,500 to 1,600 bushels, and to-day cars are operating on those lines that carry 2,000 bushels of wheat to the market. Also in place of the inferior engines of thirty years ago we have the great mogul engines of to-day. Transportation is developing; it is not at a standstill. I believe that these railway companies, with their efficient presidents and with the inventive genius which must exist in the ranks of their employees, can find a way of moving that coal, and moving it at a rate which will enable us to use Alberta and Nova Scotia coal in central Canada and thus be independent of outsiders in the matter of our coal supply. I am urging this matter on the Minister of Railways, and urging it in a friendly spirit. I believe that if he were to introduce a bill this session fixing a rate for the carriage of Alberta coal there is scarcely an hon. member who would not vote for it, —in fact the vote would be almost unanimous, because the people of Canada are insisting upon the solution of the coal problem, and so far as I can see this is the only way to solve it.

So far as the speech from the throne is concerned, there are one or two other matters upon which I should like to touch. Mention is made in the speech that the appointment of ministers to Japan and to France is contemplated. I am in hearty accord with that proposal. I believe the appointment of such representatives to those foreign countries with which we desire to do business and to extend our commerce can be of immense value to Canada. In that connection may I say, that when this matter came before me I was trying to recollect whether I had ever seen any report as yet as to what our representatives at present in foreign countries are doing. It seems to me that we should have reports from our representatives in foreign lands so that we may know exactly what they are accomplishing towards the expansion of our commerce. It does not seem to me to be essential that we should have at foreign capitals men who are simply representing us in a social and a political sense; that was fairly well done under the former regime. What we want is the appointment of representatives who can help to extend and increase the commerce of this country and afford further opportunities for marketing the products of Canada. We have had an ambassador at Washington now for almost a year, and I am rather curious to know what he has accomplished. I have seen no report of his activities, and I doubt whether any other member has done so. I do not doubt at all that Hon. Mr. Massey has been rendering useful service in Washington, but I believe it would be a good thing to take parliament and the country into the confidence of the government and give us each year a report as to what our representatives in foreign countries are doing to advance our business interests in the countries in which they are located.

For instance I have here a statement to which I should like to refer for a minute or two—and I am sure this will interest my hon. friend the Minister of Agriculture (Mr. Motherwell). It deals with an industry as regards which, it seems to me, something might have been accomplished on the other side of the line. I refer to the cattle trade. We were complimenting ourselves very highly here a few years ago on the fact that the embargo which restricted the importation of our cattle into Great Britain had been removed. Almost everybody who had anything to do with it was given the credit for helping to raise that embargo, but I do not think it was ever definitely determined to whom the credit really belonged. However, we expected that with that embargo removed a great trade in cattle would spring up with Great Britain. What has been the result? I have here a report, which I secured a day or two ago, from the Bureau of Statistics as to our exports of cattle to the United Kingdom. In that publication the number of cattle exported in 1923 to the United Kingdom is given as 57,672 head. In 1924 the export of cattle amounted to 79,435 head, and in 1925 the total was 110,868. We boasted that year a great deal as to what we had done in the way of securing a market in the United Kingdom for our cattle, In 1926, however, the exports fell off to 79,985 head, and for 1927 they dropped to 8,263 head. There may be a reason for that which I do not understand. Of course there have been strikes in the old country but I do not believe their beef-eating stopped to the extent that it would cause a fall in our cattle importations into Great Britain from 110,868 in 1925 to 8,263 in 1927. I am not finding fault with the government in regard to that although I am calling the attention of the Minister of Agriculture (Mr. Motherwell) to it. I am suggesting, in connection with this proposal to send ambassadors, representatives, high commissioners and trade agents to foreign countries, that they exert themselves to see that the trade of Canada is not only maintained but increased.

Let us look on the other hand at the importations into the United States. These are the exports of cattle to the United States for the same year:

Year ended December 31	Number
1923	120,947
1924	133,025
1925	149,067
1926	158,295
1927	283,004

That is in spite of a tariff against Canadian cattle entering the United States.

Mr. DEPUTY SPEAKER: Order.

Mr. JELLIFF: I regret that as my time is up I shall have to discontinue my remarks.

Mr. G. T. MacNUTT (Colchester): Mr. Speaker, I will occupy but a very short time in offering a few observations on the subject matter before the house. For the very eloquent and kindly words expressed by the hon. member for Lethbridge (Mr. Jelliff) in his certificate of character and integrity of our honoured leader (Mr. Bennett), on behalf of the members on this side, I extend to him our sincere thanks. This debate has been under discussion now for the past eight days and I am sure we all agree that it has been carried on in a most gentlemanly and kindly manner. As I sat in my seat on the opening day and listened to the eloquent speech of our honoured leader and the reply of the Prime Minister (Mr. Mackenzie King), I wondered if the Christian era had at last reached parliament hill.

So much has been said throughout this debate on many matters which I wished to discuss that I will not tire the house with any repetition. There is, however, in this house a custom that will bear repetition, and that is in hon. members extending to the mover and seconder of the address their felicitations. It is particularly pleasing for me to-night to offer to my fellow Nova Scotian the hon. member for Hants-Kings (Mr. Ilsley) and to the hon. member for Provencher (Mr. Beaubien) my congratulations on the very creditable way in which they performed a somewhat difficult task. In the great republic to the south of us, we Nova Scotians, or Bluenoses as we are sometimes called over there, are noted for three things: codfish, handsome girls, and college professors. I have no doubt that the Prime Minister, looking around him to select a member to move the address in reply to the speech from the throne, and make a good job of that task, would naturally look towards the little province down by the sea which has such a reputation as I have indicated and which has given to this great Dominion three of its prime ministers.

Throughout the debate on the address I have observed that there is a tendency on the part of a great majority of members who have spoken to confine their remarks largely to that part of the country from which they come, and I may be permitted to do the same, particularly as the hon. member for Hants-Kings interjected into his speech a distinctly maritime flavour. He volunteered to give this government some advice; he advised his government that down in Nova Scotia they wanted wider markets. The cry of "wider markets" is a very old one. Hansard has been loaded up with it from the day that it was first issued. It is a catch-cry that is used in this house at every session. Wider markets are desired when we produce more than we consume.

The hon. member for Hants-Kings referred to apples, which constitute a very large crop in that portion of Nova Scotia from which he comes. I confess that in regard to markets for apples the hon. member is much better informed than I am. I know, however, that the home market consumes about fifteen per cent of the apples that are raised in that province, while the British and European markets consume the remaining eighty-five per cent. I realize that if the whole crop of fruit from the Annapolis valley were thrown at one time upon the home market, the producers would receive barely enough, if enough, to pay for the package that contains the fruit, but I know further that from now until the new crop comes in next year it is almost impossible to buy in the stores of that province Nova Scotia apples. Our stores are filled up with a highly-coloured, poorly-flavoured apple imported from somewhere else. I would not venture to say that they are from Ontario or British Columbia when I have around me so many hon. members from those two great provinces.

Do we want wider markets for our butter when the province of Nova Scotia does not produce one-half of the butter it consumes? What the farmers of Nova Scotia do want is a policy which will give Nova Scotia products a preference over foreign products in the Canadian market. What we want is increased production to meet the demands of our own consumption. Our farmers cannot meet those demands in the face of the conditions that are confronting them to-day.

I asked a question yesterday in the house regarding the dumping clause, if it was still being applied to butter coming in from Australia, and the hon. Minister of National

Revenue (Mr. Euler) informed me that it had not been applied for some time. With butter coming into this country as it is, and has been—only a few days ago twenty-seven thousand packages arrived in Victoria, B.C., averaging about fifty-six pounds to the package—I say, Mr. Speaker, that with such conditions existing, our farmers have no incentive to endeavour to increase their production. Not only does this Australian butter come into the Canadian market at a duty of one cent a pound, but the farmers who produce that butter, the shippers and exporters from Australia and New Zealand are being paid by their own government a bonus of six cents a pound. These conditions, Mr. Speaker, in the province from which I come are driving our dairy farmers out of business.

From the county which I have the honour to represent, during the past seven months 2,000 of the best and highest butter fat-producing cows were shipped out, mostly to the United States, and as I left my home to come here American buyers were at that time loading several carloads more for shipment into their market. Our farmers are being driven out of business. Of course, we cannot stop our American friends from coming into Nova Scotia and buying our cows if they find they can buy them cheaper there than elsewhere. With a Canadian duty of one cent per pound and a duty of twelve cents protecting the American dairymen it is easy to see why our cows go to the United States. I do say that the government have it in their power to apply the dumping clause to stop the importation of this foreign butter that is driving our Nova Scotia farmers out of business. I have on the order paper a question asking when this dumping clause was applied and when it ceased to operate, and I may have something more to say about this matter in the future.

Do we want wider markets for our farmers? Let me read a resolution that was passed by the farmers of Nova Scotia at the annual meeting of the dairymen's association held in the town of Truro, the seat of the county which I have the honour to represent. This resolution was passed in January, 1927:

Whereas the agreement as negotiated between the Canadian and Australian governments has reduced the customs tariff on butter coming into Canada from 4 cents per pound to 1 cent per pound;

And whereas as a result of this agreement coming into effect October 1, 1925, the price on Canadian butter has been reduced more than the amount of the original duty;

And whereas this reduction has had a detrimental effect on winter dairying in Canada, affecting both the producer and manufacturer;

Be it therefore resolved that we, the dairymen's association of Nova Scotia in annual convention here assembled, do humbly pray that the Dominion government do restore the customs tariff to its original rated duty of 4 cents per pound or equal to the Australian bonus of 6 cents per pound, at the present session of parliament;

Further resolved that a copy of this resolution be sent to the hon. Minister of Agriculture, Ottawa, and each of the Nova Scotia M.P.'s as well as a copy to the Hon. J. A. Walker, Minister of Natural Resources, Halifax, asking the Nova Scotia government to use their good offices in our behalf.

I will now read the resolution that was passed by the same association in January, 1928:

Be it resolved that the Nova Scotia dairymen's association in annual session assembled in Truro, January 17th-18th, 1928, reaffirm the action of this association in passing a resolution at the annual convention, January 19th-20th, 1927, asking the government to cancel the clause of the Australian treaty and the order in council which allows butter to enter Canada at the rate of one cent per pound duty and cheese free and restore to the farmer that which was taken from him by the signing of this treaty and the order in council allowing New Zealand butter and cheese to enter Canada at the same rate of duty.

Further resolved that we request that the dumping clause be at once applied to all butter coming into Canada from New Zealand and Australia whether on direct sale or on consignment.

Further resolved that the copies of this resolution with the 1927 resolution attached be mailed to the members of the senate, the Right Hon. W. L. Mackenzie King, Prime Minister of Canada; the members of the government; the federal members for Nova Scotia, and the Minister of Natural Resources, Hon. J. A. Walker, Halifax.

Those are resolutions, Mr. Speaker, that were passed at a convention of hard-headed farmers, farmers who are members of the two old political parties in this country. They realize that the situation that exists in that province is for them a very precarious one. In view of these resolutions I do not think that the question of wider markets is receiving much attention from the farmers of that province.

Again, do we want wider markets for our pulpwood, when we have steamers leaving the shores of Nova Scotia almost like ferries, carrying the raw wood across into the American market, to be followed there by the young men of our province who follow the wood to find employment in American mills, working up into the finished product that wood that should have been manufactured at home. What we do want in Nova Scotia is home manufacture of our raw materials, and a fearless determination to develop our own heritage for the benefit of our own people. I

could go on and at considerable length mention many more of the products of the farm of which we do not produce in Nova Scotia nearly as much as we consume. I refer to cheese, to eggs and many more products.

So much has been said throughout this debate on the question of coal that I hesitate to venture upon it, particularly in view of the fact that the hon. member for Cape Breton South (Mr. MacDonald) and the hon. member for Pictou (Mr. Cantley) discussed that question this afternoon. I may, however, be permitted to congratulate the hon. member for Bow River (Mr. Garland), upon his very able speech in this house a few days ago. His analysis of the situation in the province of Alberta, having reference to the demand that an out-of-pocket cost rate be given the coal producers of that province, is so similar to our demand from the maritime provinces that I could not add anything to the splendid analysis of that subject which he gave upon that occasion. I might say that my hon. friend robbed me, in that able speech, of a good deal of matter that I intended to present to the house.

Canadian coal for Canadian people is a slogan that I believe should be sung throughout the whole of Canada. It is a national question. It is a question that can be solved, if it is energetically taken hold of. Give the railways the out-of-pocket cost on moving coal and you will at once bridge the great gulf which is now fixed between the coal producers in these provinces and the consumers in the central provinces. The coal operators of Alberta are demanding this out-of-pocket rate to overcome what is known as seasonal unemployment. During the summer months they have not sufficient market to keep their mines operating at full capacity, while in Nova Scotia, as was stated this afternoon by the hon. member for Pictou, we require this seasonal employment, and this out-of-pocket rate would give employment to our miners after the St. Lawrence river has been closed to navigation. During the summer months our mines are worked to capacity, but with the closing of the St. Lawrence the work automatically ceases and destitution soon follows.

I wish to compliment the hon. Minister of Railways (Mr. Dunning) on the fact that he is always a very good listener when matters pertaining to his own department are up for discussion. He interjected a question when the hon. member for Pictou was speaking, and asked why 700,000 tons of coal were brought from Germany and England into the metropolis of Montreal during the summer months. Why should this coal be brought such a great distance when it could be obtained from the mines in Nova Scotia, which are much nearer Montreal? From the shake of the hon. minister's head I do not think he quite understood the meaning of the remark of the hon. member for Pictou. Let me say, therefore, that during the open season of navigation our mines are worked to their full capacity. The people of the great metropolis of Montreal, knowing that they cannot get coal by the St. Lawrence route in winter, naturally have to store large quantities and keep it on hand, and not being able to get it from the mines of Nova Scotia, they had to obtain it elsewhere. What we ask is that this out-of-pocket cost which the Alberta government and the Alberta operators are asking for, be extended to the province of Nova Scotia. If that were done the necessity for buying and storing such large quantities of foreign coal during the summer months would be immediately eliminated.

Mr. DUNNING: I do not want to bother my hon. friend or interfere with the trend of his argument, but for the sake of clarity would he tell me just what he means by the out-of-pocket cost? That is important, of course.

Mr. MacNUTT: It is quite evident the Minister of Railways was not in his seat the other afternoon when the hon. member for Bow River made a splendid analysis of the matter with respect to out-of-pocket cost.

Mr. DUNNING: Yes, I was.

Mr. MacNUTT: There is a difference, I admit, between the contention of the operators, the government of Alberta, and that of the railway commission, as to the cost. The railway commission, as stated by my hon. friend from Bow River, claims that it costs as much to move empty cars as it does to move loaded ones. I do not think anyone believes that. I agree that the difference would not be so great as perhaps appears at first sight, but I do not believe it costs as much to move empty cars as it does to move loaded cars.

Mr. DUNNING: My hon. friend misunderstood me. I did not intend to interject an argument, but rather to find out whether he meant the out-of-pocket cost as determined by the board of railway commissioners, or the claimed out-of-pocket cost as stated by the hon. member for Bow River and others, who argued that the commission was in error? It has an important bearing, from my point of view, on the question of the transportation of coal from Nova Scotia.

Mr. MacNUTT: Not being an expert in rates I am not in a position to say whether the railway commission are right in their contention about the out-of-pocket cost, or whether the government of Alberta is right. But if they are right in their contention that it costs as much to move empty cars as to move loaded ones, I say we have thousands of cars coming into Nova Scotia during the winter months that of necessity must be returned to the central provinces, and if you take the out-of-pocket cost as mentioned by the hon. member for Bow River, I think the Canadian National Railway will be making money out of the transaction.

Mr. GARLAND (Bow River): I can assure the hon. member that the commission's figures are wrong.

Mr. DUNNING: I am sorry that I have created a misunderstanding. I was not asking whether the commission's figures were right or wrong, but I was asking whether the figures my hon. friend was giving as being so useful to his argument, were the commission's figures or the lower figures quoted by the hon. member for Bow River. The difference is material and would have an effect on the economic situation. If you say you are taking the lower figure, that is an answer to my question.

Mr. MacNUTT: I am free to admit I am taking the figures presented by the hon. member for Bow River.

Mr. DUNNING: And lower still if you could get them.

Mr. MacNUTT: Quite so. So much has been said on the question of immigration in the debate that I hesitate to make any reference to it. I understand we are to have a commission or committee appointed to investigate the Department of Immigration. The first duty of the department or of such a commission should be to find ways and means of keeping our own people in the country. If our own native sons cannot make a living in Canada—Canadians who succeed everywhere else in the known world—how, I ask, can we expect people from foreign countries to come here and succeed where such Canadians fail?

Mr. FORKE: The Immigration department will not be helped by any statements such as the hon. gentleman has just made.

Mr. MacNUTT: I am sorry to say I did not quite catch what the minister said. Yesterday, as the Minister of Immigration (Mr. Forke) was addressing the house, I could not help wondering when he told us that in his visit abroad he had met so many people who desired to come to Canada. Knowing as I do the conditions that obtain in the farming industry in my own province, conditions of which I have already spoken, I wondered why these intending immigrants referred to by the minister would come to Canada and go in for farming, especially dairy farming such as is carried on in my constituency, rather than go to Australia where they would receive a bonus of six cents on every pound of butter they might ship out. As I say, I could not help wondering as to this as the minister presented his case to the house

Now a word in regard to the Duncan report—because if a maritime member addressed the house and had nothing to say in that regard, the people at home would think that something was wrong with him. I was pleased to hear the Prime Minister (Mr. Mackenzie King), in his excellent speech a few days ago, assure the house that during this session the question of implementing the remainder of the recommendations contained in that report would be taken into consideration. The hon. member for Hants-Kings (Mr. Ilsley) spoke of improved conditions in the maritime provinces. In this we can agree: the carrying into effect of part of the Duncan report has had a wonderful influence on that section of the country; and what is more important is the moral feeling it has produced. The old feeling that existed in the maritime provinces against the rest of Canada is dying out and the maritimes to-day are facing the future with confidence and hope. A striking development has been in evidence in the growth of the cooperative movement among farmers' clubs, womens' institutes, egg circles, fruit companies, creameries and organizations having to do with potato and live stock shipping, all of which have taken heart anew. The people are looking not to the past but to the future. In the city of Halifax we have under construction two chateau type hotels which will cost millions of dollars, and believing that they are an index to prosperity we welcome them. There is no question that a better future awaits that little province and the people who are behind the construction of these hotels no doubt foresee such a development in the maritimes as warrants them in undertaking the expenditure. Tourist traffic will be doubled and trebled immediately. Those members who come from the interior provinces and who have not yet had a sniff of good salt air from the Atlantic, I invite to come down to Nova Scotia and receive the benefits from the change.

As we did a year ago, we on this side of the house are disposed to take the word of the Prime Minister at its face value. Our attitude will be one of watchful waiting during this session, and I want to assure the house that in taking this attitude we do not imply that the time has yet come when the sword can be sheathed.

Hon. J. E. SINCLAIR (Queens): It is my pleasure at this time to join with those who have preceded me in this debate in extending congratulations to the mover (Mr. Ilsley) and seconder (Mr. Beaubien) of the address upon the way in which they have discharged the honourable duty conferred upon them by the government. In continuing the debate I may be permitted for a moment or two to refer to some of the things that have been touched upon by the hon. member for Colchester (Mr. MacNutt). In the opening of his remarks he made the statement, with which I can pretty much agree, that we in the maritime provinces are renowned for our codfish, our handsome girls and our college professors. The only amendment we in Prince Edward Island would suggest to that sentiment is this: we would mention the handsome girls before the codfish.

Belonging as I do to the agricultural calling, I may perhaps be allowed to say a word in reference to the statements that have been made regarding the production of butter and other dairy produce in the maritime provinces. It has been claimed by many public speakers throughout Canada that our farmers are suffering as a result of the Australian treaty and that there is consequently no incentive to the butter and dairy producers in Canada. I was at a loss to gather, when the hon. member for Colchester was speaking, whether he put himself on record as being opposed to Americans coming here to buy our dairy cows, because I know that in the maritime provinces during recent years, especially since the policy was put into force of bringing these provinces into the disease free area, the eyes of American dairymen as well as of dairymen in central Canada have been turned towards the maritimes. There is an appreciable movement from the large dairies from time to time throughout the year to replenish their stock of dairy cows from disease-free areas, and that is largely the reason why we see so many leading dairymen coming to that part of the country, particularly during the summer season when cattle can be shipped. Further than that, a movement has developed in recent weeks, perhaps I should say months, from the West Indies, for dairy cattle from the maritime provinces. Shipments are now being collected for the West Indies. This movement is largely due to the fact that tests have demonstrated that the dairy cattle of the maritimes are freer from tuberculosis than the dairy cattle of any other section of the Dominion. I feel that if the hon. members who are interested will compare the prices of butter throughout Canada during the past few years they will find that those prices have not been depressed by reason of the competition of the butter producers in our sister dominions of Australia and New Zealand. If as a member of the empire we are going to advocate inter-imperial trade, how can we ask for a repeal of the Australian treaty and be loyal to our professions in that regard? As an agriculturist in direct touch with the work of finding markets for our dairy products, I am in a position to state that the main result of the importations of Australian butter has simply been to put the speculator in Canadian dairy products out of business rather than to injure the farmer. To-day we have a ready market all the year round in Great Britain for our dairy products. It is in the same market that the dairy farmers of Australia and New Zealand dispose of their surplus product. That market controls the price of butter in the markets of Canada, Australia and New Zealand. And undoubtedly the dairymen of Canada are ready to compete with the other sister nations of this great Commonwealth in supplying the British market. I cannot let the opportunity pass without saying that I am unwaveringly opposed to the suggestion made by the hon. member for Colchester that an additional duty of four cents a pound be imposed upon butter. As to the bonus, New Zealand butter—which I think is chiefly coming into Canada—does not enjoy the incentive of a bonus. The bonus system applies only in Australia, and I am not sure whether it is in full operation at the present time or not.

Before proceeding further, Mr. Speaker, let me refer to one or two of the outstanding points in the speeches that we have heard from representatives from the maritime provinces during the past few days. The hon. members for Pictou (Mr. Cantley), Cape Breton South (Mr. MacDonald), and Colchester (Mr. MacNutt), spoke to-day, and a few days previously we heard from the hon. members for Cumberland (Mr. Smith) and Queens-Lunenburg (Mr. Ernst), as well as my hon. friend from St. John-Albert (Mr. MacLaren). In all those speeches the one outstanding feature was their reference to the Duncan report on maritime claims, and each hon. member complained that the government had not fully implemented the

recommendations contained in that report. But, with some very slight exceptions, all those hon. gentlemen were very careful not to specify any particular recommendation that had not been implemented by the government as far as possible up to this time. Unconsciously they congratulated the government upon the effect produced in the maritimes by the Duncan report. The hon. gentleman who preceded me (Mr. MacNutt) said that it had had a wonderful effect in the maritimes. My hon. friend from South Cape Breton stated that the Duncan report gave new life to the maritimes. But my hon. friend from Pictou was more cautious—he said our thanks were due to the God of the harvest. However, in the latter part of his speech, when associating himself with the Minister of Railways (Mr. Dunning) in pressing the completion of the Hudson Bay railway and other western projects, he said: "Members from the west should remember our views when considering this dissatisfaction and unrest in the maritimes." As a maritimer, Mr. Speaker, I claim that such reference to the maritime provinces is unwarranted, and is not a true reflection of the spirit of our people at this time.

Now, sir, let us look at the Duncan report and see how far our friends are justified in raising this cry of inaction by the government. Taking the recommendations paragraph by paragraph, the first is that a money grant should be made to each of the maritime provinces. This recommendation has been implemented as far as possible to date, pending a general adjustment as recommended by the commission. The second recommendation is that there should be a reduction of twenty per cent in freight rates on all traffic which both originates and terminates at stations in the Atlantic division of the Canadian National railways, including export and import traffic, by sea, common to that division, and that the same reduction be also applied to the Atlantic division proportion of through rates on all traffic which originates at stations in the Atlantic division, excluding import traffic by sea, and is destined to points outside the Atlantic division. That has been implemented in full, with the exception of incoming freight by water destined for maritime points and the freight going out to United States points by rail and water originating in the maritime provinces. Our friends opposite claim that this also should be implemented. I am confident that a close perusal of the freight revenue statements that have been made by the Canadian National Railways at the end of each month from July 1 to December 31, 1927, will show that compared with the same volume and the same period in 1926 the freight earnings on the Atlantic region have shrunk 20 per cent. So that they have given full effect to what has been recommended by the Duncan commission. The figures that have been published bear out that statement to November 30, and the figures published to the end of the year will I am confident show a similar result.

Mr. CAHAN: Does that twenty per cent reduction apply on the same volume of freight?

Mr. SINCLAIR (Queens): On the same volume of freight as compared with the previous period of 1926.

Now, sir, on page 27 of the report will be found one of the recommendations of the Duncan commission with respect to Prince Edward Island. That recommendation is in two parts. First, it is recommended that a survey be made of the railroad with a view to straightening it and giving better accommodation. This survey was made during the past year. Then there is the recommendation for an improved ferry service between Prince Edward Island and the mainland. A survey was made during the past year with a view to implementing that recommendation and I would say here in passing, in harmony with my colleague (Mr. Jenkins) who spoke yesterday, that the increased volume of trade in Prince Edward Island demands that at the earliest possible moment greater capacity should be provided in connection with the ferry service. In the matter of the recommendation for improved facilities in connection with the Prince Edward Island railway and the ferry service the government have gone as far as it is humanly possible for them to go up to this date.

Mr. CANTLEY: Would it not be humanly possible for the government to have ordered the second ferry boat that is called for by the report?

Mr. SINCLAIR (Queens): If my hon. friend will scrutinize the report he will find that it does not recommend a second ferry boat.

Mr. CANTLEY: I have scrutinized the report as carefully as any member of this house.

Mr. SINCLAIR (Queens): I have the report here and if the hon. member questions my statement I shall be happy to demonstrate its accuracy. In further answer to his question I would say that neither the government nor the railway can act a year in ad-

vance of a thorough survey by the engineers to determine the type of boat that is required. It would not be doing justice to Prince Edward Island to award a contract for a boat until a thorough survey of the existing conditions had been carried out and a suitable type of boat designed. The ferry boat which at present carries out the service does not meet the requirements of the present day, and the government are doing everything possible to meet that deficiency. I feel that it will not be very long, therefore, before even the exacting imagination of the hon. member for Pictou (Mr. Cantley) will be satisfied.

A further recommendation in the Duncan report was that a survey should be made of the three ports of Prince Edward Island with a view to providing transportation facilities, particularly for potatoes and other products. That recommendation has been carried out also. A survey has been made and contracts have been awarded. Two of them have been completed, and the necessary facilities thus provided at Summerside and Georgetown were in use this year. As a result hundreds of thousands of bushels of potatoes have been shipped by water to southern markets. The work at Charlottetown has only been partly completed. However, a contract for the construction of deep water facilities on the improved lines in connection with the railway terminus there has been awarded, and we hope those facilities will be available for taking care of the crop in the fall of this year. So it would seem that notwithstanding the complaints of hon. gentlemen opposite, the recommendations for better harbour facilities in Prince Edward Island contained in the Duncan report have either been fully implemented, or are well under way.

As far as the bonus for the steel industry is concerned we all know that when litigation was pending it was not an opportune time to carry out the proposal. In regard to coking plants, however, legislation was passed at the last session to give effect to the recommendation of the commission in that regard.

Mr. MACDOUGALL: I do not wish to interrupt my hon. friend in the very excellent speech he is making. He has said that the litigation over the affairs of the British Empire Steel Corporation last year rendered the time inopportune for giving effect to the recommendation of the Duncan commission. Can he give us any assurance, now that the affairs of the company have been straightened out, that we can look for the required assistance in the budget when it is brought down?

Mr. SINCLAIR (Queens): The question my hon. friend asks indicates that he accepts my statement that it was inopportune to take any action when litigation was pending. In regard to his question I can tell him that I have always found it a wise thing to look for things to those from whom we are most apt to get them, and that his desire for information will be fully satisfied when the budget comes down.

On page 41 of the Duncan report are set forth recommendations as to the action the government should take with respect to certain railway problems in the province of New Brunswick. In regard to the Kent Northern railway the recommendation is that negotiations be opened with the company looking to its being taken over. I understand that recommendation has been acted upon, and negotiations of the kind referred to have been opened.

On page 42 of the report the recommendation was made for the appointment of a deputy minister of fisheries. May I point out that legislation was passed at the last session of parliament for the carrying out of that recommendation.

Mr. HANSON: Where is the deputy minister?

Mr. SINCLAIR (Queens): The implementing legislation has been passed, and it is for the department to carry out its provisions.

It was recommended also in the report that a geological survey be made of New Brunswick and Prince Edward Island, particularly in regard to the clays and road materials that are available for the building of roads in these two provinces, especially in the latter. During the past season the required survey was made to determine the quality as well as the quantity of the clays available. I am not so well posted with respect to New Brunswick, but as regards Prince Edward Island that recommendation was carried out by the mines branch during the past summer.

A further recommendation was that agriculture, in the case of Prince Edward Island, where it is the leading industry, should be deemed as under technical education. That recommendation has been carried out to the full by the Labour department in the administration of the Technical Education Act.

I think it is fair to say that on the whole the government have gone as far as it is possible for them to go in implementing the recommendations of the Duncan commission. I want to say to hon. gentlemen opposite from the maritime provinces that they have not given a correct account of conditions in the

maritimes by saying that discontent and unrest exist there, and that the people are finding fault with the government for not carrying out the recommendations of the Duncan report. I have shown how unjustified those charges are in every particular.

The past year has witnessed very striking events in the history of Canada. Shortly after parliament prorogued last year arrangements were set in motion for carrying out the celebration of Canada's diamond jubilee. That celebration was carried through in a manner very creditable to the government as well as to the committee who had charge of it. I think that all those who participated in the celebrations throughout Canada are to be congratulated upon the enlarged outlook it helped to provide for our people, affording to them as it did an opportunity for a calm review of the past and a survey of the present, as well as occasion for looking forward to the future with hope and confidence.

Shortly after that celebration we were honoured with the visit of their Royal Highnesses the Prince of Wales and Prince George, accompanied by the Prime Minister of Great Britain, and we all appreciate the honour that was conferred upon Canada by the visit of those estimable gentlemen. It created a spirit of nearness to and greater appreciation for the mother country to have for the first time a Prime Minister of Great Britain who was actually in power visit Canada.

There was about that time another incident that is an historic mark in Canada, and that was the holding in this country of the World's Poultry Congress. I had the honour of attending that congress, in which representatives from forty different countries of the world took part, and the congratulations of the parliament and the people of Canada are rightly due to our hon. friend in this chamber, the Minister of Agriculture (Mr. Motherwell) for the able way in which he handled the arrangements for the holding of that congress and brought it to a successful conclusion.

In passing, let me say to our friends of the Conservative party that they also had a meeting in Winnipeg which marks a period in the history of their party. I want to congratulate our friends of the Conservative party on holding that conference along democratic lines—I think it is the first time they have ever attempted to do so. The lead in that regard was given to them by the Liberal party some thirty-five or thirty-six years ago when they held a convention in 1893, and a similar convention was held by the Liberal party in 1919. I am glad to see our Conservative friends are taking a leaf from our book and following in that line. I can say further that the temper and wording of the resolutions which they adopted at the Winnipeg conference must have been affected by the exhilarating atmosphere of the west, because it was very rarely we saw them use the word "protection" in those resolutions. I want to congratulate them upon their choice of leader and to congratulate their leader (Mr. Bennett) upon his elevation to that high and important position in the ranks of his party.

Later on in the season we had another important meeting in Canada when the provincial premiers met with the federal government at Ottawa. I followed the discussion; but it is not my purpose at this time to refer in detail to the precis that was given to the press or the reports that we have of what took place, more than to say that a very favourable impression was created throughout this country, and we of the maritime provinces are looking for some substantial results when the government have time to give consideration to the matters which were discussed and which obtained the almost unanimous approval of the provincial representatives who attended that conference.

In the short time at my disposal I should like to speak of some matters in which the people of the little province of which I have the honour to be one of the representatives are directly interested. I was referring a moment ago to the recommendation by the Duncan royal commission in regard to increased transportation facilities. Had we had no Duncan royal commission the increases that were recommended would have to be carried out by the government of the day on account of the increased production that has taken place among the farmers of that province. We have a specialized industry of scientific agricultural development among our people in the raising of seed potatoes. This has developed to such a remarkable degree during the past three or four years that the potato production in Prince Edward Island during 1927 comes fourth in the list of the provinces of Canada as regards total production, and it is very nearly equal to that of New Brunswick. Only the provinces of Ontario and Quebec have a greater production of potatoes. This has caused a demand for increased transportation facilities, a demand which has been given voice by the people during the past season in a request for branch railways in that province. The people there have held several meetings, at which their representatives have been present, asking for improved railway service by the building of branch lines, and petitions have been circulated in some sections asking for that service.

I may point out that the growing of a potato crop is a little different from the growing of grain, particularly of wheat, as it is done in the west, because we have to market our crop within the season in which it is produced. We have only a few months and the time for marketing the crop is even further shortened by our Canadian winter. I would like to direct the attention of the Minister of Railways (Mr. Dunning) to this request for branch lines, and to say also that not only is there a need for branch railways, but there must be a further building of permanent highways in order to facilitate motor truck transportation. I was particularly pleased to hear the hon. member for Swift Current (Mr. Bothwell) this afternoon refer to that, and to what has been done in the United States in that regard. We cannot escape the thought that a certain amount of responsibility rests on the federal government for assisting in that work. I have under my hand a quotation which shows that we are not the only people who are looking at the building of permanent highways from this standpoint. As my hon. friend pointed out this afternoon, the United States government have spent a great deal of money in encouraging state legislatures to build through highways of a permanent nature. In Great Britain the same has been true of the central government, and I have in my hand a report from St. Austell, Cornwall, England, of July 9, of a speech delivered by the Prime Minister of Great Britain who uses these words:

> We promised to continue to agricultural ratepayers the relief already given during our term of office.
>
> We have kept that promise and made the relief permanent.
>
> We went a step beyond that by including farm buildings and relieving them of the larger part of their then net actual value for rating purposes.
>
> In 1925 and 1926 we passed two Acts in implementing that promise.
>
> Half the cost of maintaining roads and bridges has been taken off the shoulders of the local ratepayers and placed on the road fund.
>
> The government have paid one quarter of the cost of the second class roads and bridges—that is, the ordinary rural roads—in assistance of local rates.
>
> We feel that, great as the assistance that has already been given, the time has come when we ought to see if we cannot do a little more.
>
> I had a talk the other day with the Chancellor of the Exchequer on this subject.
>
> We have decided to raise a proportion of one-quarter on the second-class roads to one-third at a cost of another £500,000 a year, and to make this applicable from April 1 last.

Hon. members will see the trend that this matter has taken in Great Britain and the United States. In Canada we see similar requests coming from all parts of the country; I have under my hand a request from boards of trade of southern Alberta along the same lines. It seems to me that this is a matter which the Government must consider at a very early date, to ascertain if some means cannot be found to assist the building of permanent highways for the encouragement of motor truck traffic that will give relief to the people who are now asking for better transportation facilities, and will also help the exchequer of the provinces; because we know it is a fact that while the revenues of Canada are buoyant, the revenues of the provinces are decreasing considerably, especially in the maritimes.

There is another point in regard to railway matters in Prince Edward Island which was very well brought out by my colleague yesterday, and that was the necessity for the completion of the standardization of the island railway. I address myself particularly to the hon. Minister of Railways, because this matter calls for a capital expenditure and is a work which comes under the direction of his department. I feel that he is sufficiently familiar with the situation to know that the work must be done at an early date in order to give the people of that section of the island the service that is now available to those living along the portions of the road already standardized.

Mr. DUNNING: How are the people satisfied with the terminal work?

Mr. SINCLAIR (Queens): I have had no complaints whatever in regard to the terminal work. I think the expenditure that is being made this year in providing standard terminals in the city of Charlottetown meets with the approval of all our people. It is really a necessary part of the standardization work; in order to use the remaining narrow gauge equipment and take care of the running expenses of the standard equipment that is now in use on a portion of the road, it was necessary to have that terminal work done at this time as decided upon and requested by the engineers of the road.

There is another feature of the speech from the throne to which I should like to make reference. In the last paragraph it says that substantial assistance and improved facilities will be provided for industrial and scientific research. That, Sir, will meet with hearty approval from our people in Prince Edward Island, because there is no doubt that the advance of scientific agriculture in our province has been quite rapid during the past few years. I feel that an expenditure along that line will mean a great deal for the pro-

ducers of grain and root crops. I have in my hand a copy of an address delivered to the professional institute of the civil service of Canada at its meeting in the Chateau Laurier, Ottawa, on November 27th last, by Professor J. C. McLennan, of the University of Toronto, a noted scientist of whom Canada may well be proud. He says:

> By the use of "off-peak" electric power we can obtain vast amounts of such gases as oxygen, hydrogen and nitrogen, and such materials as phosphorus, magnesium and aluminium.

He says further:

> It will be possible, too, with the large supplies of oxygen, hydrogen, nitrogen, and phosphorus that we can secure by the use of our spare electric power, to build up immense industries for the production of artificial fertilizers, and these products can be used in ever increasing amounts to enrich our grass lands, to increase our hay and root crops and to increase —yes, double, at least in many places—the production of our grain fields.

That has a particular appeal to our people in Prince Edward Island. We have been growing our potato crop on artificial fertilizers. We have used considerable quantities of them, buying them in the markets of the world, but chiefly from Baltimore in the United States. Last year we used about thirty thousand tons of mixed fertilizers for the production of our crop. The amount in use has been increasing rapidly from year to year, and if fertilizers can be produced as here indicated from the waste energy of our electric power and the raw products of Canada can take the place of what we are now importing, it will certainly be a step in the right direction. By providing fertilizers for our people from our own natural resources, it will improve conditions generally in Canada, as well as help our trade balance. I think the action of the government in that regard is to be commended, and I hope that a liberal allowance will be made for the organization of an adequate research bureau in Ottawa.

Before closing, I might refer to a matter of probably local interest, which was also referred to last night by my hon. colleague. The speech from the throne speaks of the progress and development that has been made in Canada in aviation, particularly in regard to the carrying of the mails, and we are all glad to learn of that. My friend the Postmaster General (Mr. Veniot), of whom we are all proud in the maritimes, is to be congratulated upon inaugurating an air mail service in Canada and delivering the mail in a shorter time than it had been delivered previously. I am referring particularly to the weekly service that is now given the people of the Magdalen islands. No people in Canada were more in need of being brought closer to the mainland of Canada than our good friends in the Magdalen islands, and we are all glad to see that they are getting this service. We have an idea that perhaps the minister might see his way clear to supplement that service by giving to us in Prince Edward Island a similar service, which would not entail any great expense, now that he has the plane and the equipment at Moncton. During this season of the year particularly, from the first of January until the ice goes away in the spring, our service is often interrupted, and we have especially during week-ends and on certain days during the week when steam communication is interrupted, quite a long time to wait for the regular delivery of mail. If some system could be devised by the Postmaster General by which an air mail service could be given to the people of Prince Edward Island, as an initial step, to carry our delayed mails, I am sure it would be much appreciated by the province in anticipation of a regular aerial mail service.

I see Mr. Speaker is becoming restless and that my time is up. I thank the house for its attention.

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): Mr. Speaker, I should like to make a few remarks on the subject before the house. We are now in the closing days of the debate, and the main subjects dealt with in the speech from the throne have been so thoroughly discussed that there is very little left for one to say.

First I should like to congratulate the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address on the very excellent manner in which they performed their respective duties. Especially do I congratulate the mover, who is a maritimer; and I am glad that the government saw fit thus to honour the hon. member for Hants-Kings, who is keeping up that reputation for oratorical ability which in days gone by was so ably displayed by many who sat in parliament, made laws, and came from the little province by the sea.

I do not wish to appear either over-optimistic or pessimistic, Mr. Speaker. Although I do not deny that prosperity may exist in some parts of the country, especially in the west on account of the great wheat crop, the same cannot be said of the eastern part of Canada, where unemployment is very great and our principal industry, coal mining, is stagnant and comparatively idle. Prosperity in that district during the past few years has been unknown. Only a few days ago the citi-

zens of Halifax, the capital of Nova Scotia, clubbed together and raised a subscription of nearly $3,000 to help the mining district of Cape Breton. That district is in great want; certainly there is no wave of prosperity there. I want the house to understand distinctly that our people are not looking for relief or for charity; they want work. We find a mine only working 180 days in a year, the average wage being about $4.50; and I ask hon. gentlemen, how can a man keep a family when he is working only about half time, to say nothing of paying the debts incurred in the winter season when there is no work for him?

It does seem peculiar, Mr. Speaker, with the large coal fields in the west and in the east, that $100,000,000 of Canadian money should be spent on foreign coal. Why should not that money be kept in our own country? What a difference it would make in the matter of unemployment! I know of many miners from Cape Breton who are working in the coal fields of Philadelphia and being paid in American money for sending coal into their native country. Something must be wrong, and something ought to be done. The board of trade in Halifax has passed the following resolution, which has been confirmed by all the other boards throughout the province, composed as they are of all classes and creeds, political and otherwise:

Whereas in the calendar year 1926, Canada produced 16,457,484 tons of coal and imported 18,056,139 tons, including 4,242,932 tons of anthracite, and indications are to the effect that importations for the year 1927 will exceed those of 1926. The importation means the export of over $100,000,000 in payment therefor: and

Whereas in the year 1926 the steel plants of Canada produced only 649,390 tons of iron and steel products (which is less than one-half of their capacity output) while in the same year 922,482 tons of foreign iron and steel in directly competitive forms were imported into Canada, and about $50,000,000 exported in payment therefor;...

Therefore be it resolved that the parliament of Canada should adopt a national fuel-steel policy which recognizes Canada's need of these commodities of coal and steel and Canada's ability to fill that need, the aim of which policy should be to produce in Canada the coal and steel consumed in Canada so far as that is presently possible, and to take all steps necessary to ensure expansion of these industries so that they may ultimately give complete fulfilment to this national policy.

That was the resolution passed by the board of trade of Halifax, and which was sent to and concurred in by the different boards of trade throughout the country. What is the solution of this annual lack of employment in our coal centres? Last session we thought we had found a solution in the coke oven bill, but apparently we did not—and why? The answer is that these coke ovens are using American coal instead of Canadian coal, because the American coal comes in practically free and owing to the cost of transportation can be purchased more cheaply than Canadian coal. Now, Sir, I do not think that the way to build up our country is to close down our own industry and import our products from a foreign country. There are only two things I know of which will provide a remedy, namely, tariff and railway rates. We must have such railway rates that we shall be able to ship our coal by rail during the winter months, thus giving employment to our miners in Cape Breton. Let me quote a statement prepared by the Hon. G. S. Harrington, Minister of Public Works and Mines for Nova Scotia, with regard to a national fuel and steel policy:

That the Dominion of Canada adopt a national fuel and steel policy the aim of which is to produce in Canada the fuel and steel consumed in Canada; that the recommendations of the Duncan commission framed towards this end be made effective forthwith; and that all steps necessary from time to time to give full effect to this policy be taken by the parliament of Canada.

Present steps recommended:

1. Coking plants.
2. Subventions for carriage of coal west of Montreal.
3. Tariff consideration for imported coke, anthracite screenings and bituminous coal.
4. More favourable transportation rates.
5. Abolition of customs drawback for foreign coals entering Canada for coking as now allowed.

If this policy were put into force without delay the money now sent out of the country for the purchase of foreign coal would be spent in Canada, and in the next speech from the throne the government would be able to say truthfully and honestly that there was prosperity throughout the land.

The speech from the throne makes mention of the celebration during the past summer of the sixtieth anniversary of confederation. I wish to congratulate the government upon the success of the celebration. The organization of committees and the carrying out of the various plans were all that could be desired, and I think it was a great thing for Canada. When we recall the unanimous character of the demonstration, extending as it did from east to west and including every little hamlet, village and town we see how strongly the patriotic feeling prevailed; we realize that it showed plainly to other countries that Canada is essentially patriotic, no matter what a few propagandists or secessionists might say to the contrary.

With reference to the Dominion-provincial conference, I believe it will be a good thing

if the terms of that conference as agreed upon are properly carried out. If not, it is useless and a bill of expense. I am convinced that much good must have been accomplished by the representatives of the different provinces meeting and discussing matters with the federal government.

I have very little to say on that very important and well discussed matter of immigration policy. I am in favour of a commission to go into the whole business in order to find out what is the right policy to adopt. I do think that a certain number of immigrants might be turned to the maritimes. In Cape Breton we have splendid, fertile farms with no one to work them. I believe the local government is trying to formulate some scheme to relieve that situation. As I understand from the speech delivered by the Minister of Immigration (Mr. Forke) yesterday a conference with the different provinces is contemplated in the near future; I hope it will be productive of some good.

I do not wish to detain the house any longer, but I trust that, if not all, at least some of the few suggestions that have been offered to the government will be taken notice of, that our country will continue to prosper, and that this prosperity will extend over all parts of this fair Canada of ours.

Mr. HUGH ALLAN (North Oxford): I desire, Mr. Speaker, on behalf of my constituents to make a humble contribution to this debate. Much has been said of interest and importance by those who have participated in it, and they have presented their views in a manner becoming to them and in keeping with the dignity of this parliament. It would seem that the ground has been so thoroughly covered that there is nothing left to say; one can only repeat statements that have already been made. However, I should be recreant to my duty if I failed to compliment the hon. member for Hants-Kings (Mr. Ilsley) and the hon. member for Provencher (Mr. Beaubien) upon the splendid efforts they made a few days ago in moving and seconding respectively the address in reply to the speech from the throne. Significance is given to this performance by the fact that a member from the east and a member from the west were selected for this very important and honourable duty. Coming as they did from provinces whose interests are diverse, and influenced to some extent by varying shades of opinion peculiar to the localities they each represent, they were nevertheless in complete accord in pointing to the present prosperity and unity of Canada. While, therefore, it may be somewhat conventional and formal to congratulate these gentlemen upon their admirable speeches, I can still in all sincerity do so. Their effort left no doubt in the mind of any hon. member as to their ability, and I am sure they will prove potent factors in directing the destinies of the country.

Surely no one will say that the widespread prosperity which Canada enjoys to-day can be attributed wholly to the government in power; various factors have contributed to that prosperity. But I think it is only fair to say that the wise administration and leadership of the government, in shaping its policy and extending and widening the avenues of trade with other nations, have made for the progress which is now evident in Canada.

I desire also to tender my congratulations to the hon. member for West Calgary (Mr. Bennett) upon his being called to the very important and honourable office of leader of the great Conservative party, whose history down through the years, in connection with the development of the Dominion, will no doubt prove an inspiration to him and urge him to give of the best of his high attainments, his business acumen and his wide grasp of dominion affairs in the discharge of the onerous and multiform duties which of necessity must be imposed upon him in the position he now occupies.

Belonging as I do to what I may call the kindergarten class, I have much to learn regarding the scope of the functions of parliament and its influence upon the social, industrial and economic life of the country. Since coming here I have been trying as best I can to glean from the proceedings of the house something of parliamentary procedure and practice and of the elements which enter into the administration of our affairs. I recall that this parliament is made up of 245 members coming from the far flung reaches of a great dominion and representing a diversity of interests and innumerable shades of opinion; and this very fact presents a considerable problem. But this consideration ought not to obscure from the minds of hon. members the large problems of dominion-wide importance which it is essential we should keep before us if our individual local problems are to be solved in the light of the welfare of the Canadian people as a whole. Realizing this I am impressed with the serious responsibility that rests upon this parliament. All these elements I have mentioned, it seems to me, it should be the duty of parliament to merge into the great melting pot of discussion with the hopeful expectancy that, in the process, charity and tolerance will result in a greater and more united Canada.

We gratefully appreciate the gift which the great mother of parliaments has graciously bestowed upon us in the form of the machinery of government which we have and which is equal to the administration of our affairs, consistently with the possibilities of our national and international relationships. The constituency of North Oxford, which I have the honour to represent, while largely an agricultural district, contributes at the same time to the production of those things which are peculiar to urban centres. Lying on its southern boundary is the city of Woodstock, with its textile and spinning industry, furniture and vehicle manufacturing, printing presses and foundry, food and metal products, all nobly playing their part in weaving the colourful fabric of our national life. Nestled as that urban centre is in an environment of agricultural wealth which I think cannot be surpassed by any other county of this Dominion, it has also become famous during the last year or two through the enterprise of our stock breeders, whose animals have won prizes wherever exhibited; and being a constituency of broad fertile acres, dotted with comfortable and contented homes, it constitutes a valuable asset to our nation's wealth and is also a very desirable place in which to live.

But, Mr. Speaker, while we are thus favourably situated, we feel that our people are not receiving the consideration which is their due; they are not reaping rewards commensurate with what they are contributing to the national wealth. In a country of approximately 10,000,000 people where the production ratio per capita is not surpassed in the world, we feel that our large army of producers should receive consideration in proportion to their contribution to the nation. I do not think that I can properly be termed either a free trader or a high protectionist, but it does seem to me that greater relief would come to our people if the customs duties were somewhat lowered on many of the commodities that are in common use. I would not recommend reductions to a level that might injure our manufacturers, but I would recommend such reductions as would benefit the consuming public.

With regard to the coal situation, this matter has been under consideration by the government for some time. Recently an investigation was made and estimates presented by competent persons, an epitome of which was given to this house by the hon. member for Bow River (Mr. Garland) in the masterly address which he delivered a few days ago. It would appear that it is quite within the range of practicability to bring this valuable commodity from our sister province of Alberta eastward as far as Ontario. I appreciate the fact that there are difficulties in the way, but if it is possible to remove those difficulties, and if the proposition is economically feasible, I would suggest to the government that they give it a trial, without injury to our great carrier systems, so that Alberta coal might be able to compete in Ontario with the coal imported from United States markets.

With respect to immigration, I may say that our problem in Ontario is rather one of emigration, of keeping within the limits of our province our Canadian manhood and womanhood, which we believe cannot be excelled by the manhood and womanhood which may come to us from other shores. I am heartily in accord with the sentiments expressed last evening by the hon. member for Southeast Grey (Miss Macphail), that we should strive for quality rather than quantity in our immigration policy, that we should select that type of citizenship which is easily assimilated in our national life and which will be a valuable contribution to distinctive Canadianism.

Finally, Mr. Speaker, I want to extend my congratulations to the right hon. Prime Minister (Mr. Mackenzie King) and those who were associated with him in planning and carrying out the splendid celebration last July of the diamond jubilee of confederation, an event which I am sure placed vividly before the minds of our people the great progress which Canada has made during the last sixty years. It gave to us a background of our history of which every Canadian may well be proud. With that background before us, how we recalled the suffering, privation and toil of our early pioneers, who by their masterly qualities of heart and mind converted the wilderness into a cultivated land dotted with happy and contented homes; how we recalled those illustrious statesmen who in the face of almost insurmountable difficulties, bitterness and strife succeeded in consolidating the scattered provinces into one great Dominion and won for us self government—an achievement splendid beyond anything that we can imagine. Looking to the past and remembering all that the years have brought us as a united Dominion, with a vision and outlook widened by reason of the altitude of the years upon which we stand, shall we not declare our faith to-day that this splendid Canada of ours is assured by divine Providence of an outstanding place in the world, and that our great legislative body will continue to function with dignity and

will diligently apply itself to the tasks which confront it? Thus shall we perfect the vision of those illustrious men whose deeds we celebrated last year and hand down to posterity a heritage worthy of the age in which we live.

On motion of Mr. Veniot the debate was adjourned.

On motion of Mr. Dunning the house adjourned at 10.30 p.m.

Wednesday, February 8, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 23, to incorporate the St. Clair Transit Company.—Mr. Goodison.

Bill No. 24, to incorporate the Highwood Western Railway Company.—Mr. Coote.

Bill No. 25, to incorporate Niagara Gorge Bridge Company.—Mr. Hay.

REPORT

Report of Federal District Commission and statement of receipts and expenditures of the commission for year ending March 31, 1927.—Mr. Robb.

RAILWAY ACT AMENDMENT

Mr. T. L. CHURCH (Northwest Toronto) moved for leave to introduce Bill No. 26, to amend the Railway Act. (Special rates on coal.)

Hon. CHARLES DUNNING (Minister of Railways and Canals): Explain.

Mr. CHURCH: By this amendment, and as a start towards a national coal supply, coal mined and coked in Canada will be carried for domestic use on the same preferential terms as grain and flour are now carried.

Motion agreed to and bill read the first time.

TARIFF ADVISORY BOARD—EVIDENCE

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Minister of Finance (Mr. Robb) to lay on the table the evidence given before the tariff advisory board with regard to cotton.

[Mr. Allan.]

Hon. J. A. ROBB (Minister of Finance): I will see if the evidence is ready, and will try to lay it on the table tomorrow or the next day.

PRIVILEGE—MR. POULIOT

NEWSPAPER COMMENT ON SPEECH IN THE HOUSE

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I rise to a question of privilege. My attention has been drawn to an article appearing on the front page of the Montreal Gazette under date of February 6, of this year. The article is headed:

Compromise in School Rates is Suggested

Below that appears the sub-heading:

Provincial Liberals Object to Criticism of Taschereau by J. F. Pouliot, M.P.

I have a few comments to make on this article, so I intend to take it up paragraph by paragraph, and it begins as follows:

Special to the Gazette. Quebec, February 4: For the present at least it is not intended to name a commission to revise the Quebec municipal code. The last revision was approved by the legislature in 1915—

That is wrong; it was done in 1916.

—and amendments to the Municipal Code are not very frequent.

This is another mistake, because inside of ten years two hundred amendments have been made to the eight hundred articles of the code.

Premier Taschereau is not suffering from a lack of offers to revise the code, and only recently answered in the negative to a request of Jean-Francois Pouliot, Liberal M.P. for Temiscouata, that he be appointed to undertake the work.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: Well, Sir, to satisfy hon. members on both sides of the house, I will tell them now that I have nothing offensive to say about Mr. Taschereau to-day, and I will make my reply to this article as short as possible. First I would like to know if there is some expert or artist in quotations in the department of the Attorney General of Quebec who subtilizes documents in file and falsifies texts? I do not believe there is. I rather believe it comes from the correspondent of the Gazette in Quebec, who is the janitor of the falsehood factory or Ananias club of Quebec, and if such a thing happens once more I will name him so that the country will know the fellow as he is. I received only one letter from Mr. Taschereau in that connection, and I will read to the house that section of the letter in connection with this article. The municipalities association of Quebec asked the

government to make a new draft of the Quebec municipal code because of the very many amendments which had been made, and I wrote telling Mr. Taschereau that if he wanted me to act as commissioner for this purpose I would gratefully accept. That part of the report is true, but my letter was written a long time before the house opened; it was written on November 4, while Mr. Taschereau was giving interviews to the papers in Ottawa during the Dominion-provincial conference. I received his answer when he went back to Quebec, and I will read the French text, which I shall be glad to show any hon. member of the house, and I hope Mr. Taschereau will not deny his signature. On November 12th ult., he acknowledges receipt of my letter of November 4, and the last paragraph of his letter reads as follows:

Je ne manquerai pas, au cours de la prochaine session, de faire part à la chambre de votre proposition.

I will translate that into English for the benefit of my English-speaking friends, and I wonder if they will take it as an affirmative or a negative answer. No one will change this letter, because I keep it in a steel file. The last paragraph is as follows:

I will not fail during the next session to submit your proposition to the legislative assembly.

Contrary to Esau, who sold his birthright for a mess of pottage, I have no hesitation in saying that if I have to choose between a job offered by any government, any company or any individual, and freedom of speech, I will always choose freedom of speech.

Now I crave the indulgence of the house to read further from this article, which is as malicious as it is slanderous, not only against myself but against every member of this house from the province of Quebec.

The attack which Mr. Pouliot made upon Premier Taschereau in his speech in the House of Commons had aroused considerable feeling here,—

This I did not expect.

—and especially the statement that the provincial Liberals have regard for their federal brothers only when there is a provincial election. Provincial Liberals maintain that such is not the case, but if anything the situation has been the reverse. The Liberals have been in power at Quebec since 1897, which has meant handling of considerable patronage, and during the dark ten years, from 1911 to 1921, when the federal Liberals were out of power this patronage had to be spread so as to care for the victims of 1911,—

I was not one of them; do I look like a victim?

—and at times the butter was very thin,

There was no question of Australian butter at that time.

—and there was no jam whatever owing to the care bestowed upon the federal Liberals.

My answer to that is that the young man who wrote that article is known as a buffoon in Quebec. His bread is well buttered, and I am sure that he is jammed with that well buttered bread. The article goes on to say:

Provincial judgeships, positions as crown prosecutors—

I am not a judge, I am not a crown prosecutor.

—and other positions have been handed out by the Quebec Liberal government to distressed federal friends—

He should name them.

—and it has always been the provincial Liberal organization which has furnished the fighting means at federal elections—

I never knew that.

—not to mention the fact that the two official Liberal organs in the province receive their government support from Quebec, and not from Ottawa.

I draw that statement to the attention of the Prime Minister (Mr. Mackenzie King) and of the Finance minister (Mr. Robb).

Hence, provincial Liberals who have had to make way for the needs of federal Liberals fail to appreciate the attack made by Mr. Pouliot on Premier Taschereau.

I hope the house will allow me to answer that by a little story. When I was at college an elderly cousin of mine called on me the first year I was a boarder, and brought me once a bag of six very small strawberry tartlets. During the following summer she called at our house and when she found I was not very polite to her she said: "Why are you so impolite when I fed you last year?" Mr. Speaker, I have just a word more to add and it is this: I do not believe that false, malicious, slanderous story comes from Mr. Taschereau because I think he is enough of a gentleman to take the responsibility of what he says. But whomsoever it comes from I say to him that I despise a man who will make such insinuations. If Mr. Taschereau is not satisfied with what I have said, let him produce and lay on the table of the Quebec legislative assembly the official correspondence that has taken place between us since 1921.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Tuesday, February 7, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, in rising to say a few words on the address in reply to the speech from the throne, I desire at the very outset to extend my personal congratulations to the leader of the official opposition (Mr. Bennett). Some hon. members from the west told this house that they felt proud he had been chosen, because the great Conservative party had to go to the west to find a leader. I wish to say to our friends from the west who spoke in that way that we in the maritime provinces are very jealous of the honours that come to us, and that we cannot allow the west to take all the credit in regard to the choice made of the leader of the opposition. The hon. gentleman, I regret to say, is not in his seat at the present moment. I should like to see him there because I, as one New Brunswicker, would like to extend my personal congratulations to him as another New Brunswicker. It was in that province that he saw the light of day although, it is true, in one of its smallest counties. But coming from that small county, as he does, he occupies to-day the greatest position in the gift of the party to which he has adhered for so many years. I as a New Brunswicker feel proud of the fact that one of the great political parties in this country has chosen a native of my province to lead it and to help it in shaping its course for the future.

I have only forty minutes at my disposal, and I have certain important points which I wish to lay before the house. Therefore as regards the gentlemen who moved and seconded the address I will merely repeat what has been well said already as to the splendid way in which they discharged their duties. Not only do I congratulate them, but I hope they will long live to enjoy the position they now hold in the hearts of the people who have sent them here as their representatives.

I would not have spoken on the address, Mr. Speaker, had it not been that certain members from the maritime provinces have thought fit to cast doubt upon some statements I made at two meetings, one at Amherst, Nova Scotia and the other at St. John, N.B., in relation to what is known as "maritime rights", a subject now worn pretty nearly threadbare. Doubt having been cast upon the statements I made on those occasions I wished to take the very earliest opportunity to prove to this house that I was correct when I said that there were only ten direct recommendations made in the Duncan report, and it is beyond doubt that there were only ten such direct recommendations, putting to one side suggestions and expressions of feeling on the part of the commission, as well as arguments advanced by those who presented themselves before the commission. I make that statement now and I defy honest contradiction of it. Out of those ten direct recommendations, eight were implemented to the extent that it was practicable to implement them by legislation, by the various departments of the government, leaving two recommendations yet to be implemented and which, I understand, are to-day receiving the consideration of the government. Having made the statement that there were only ten direct recommendations, I intend to deal with those recommendations, and to show to the house the propaganda that has been instituted in the maritime provinces by certain persons. I am not going to attribute any motives to these persons, but I am going to lay the facts before the house and let the house come to a decision thereon. I remind hon. members of the action taken by parliament, and by this government last winter, of the consideration shown to the claims of the maritime provinces by our friends from the west, from Ontario, from Quebec, and from British Columbia. On that occasion all joined hands in an endeavour to obtain redress of the wrongs, so-claimed, of the maritimes; and in view of that action it is humiliating to think that to-day certain people in the maritime provinces are attempting to make a political football of what has already been done, and what may yet remain to be done, in connection with this important question. Is it any wonder that there is doubt in the minds of the people from the other provinces, who stood so loyally by the maritimes last winter as to whether we were sincere or not? Is there any wonder that some of those from other provinces who cooperated with us may entertain a feeling that we in the maritime provinces can never be satisfied? Is it any wonder that those of us on both sides of this house who have been advocating those rights—and I wish to give credit to our Conservative friends for the manner in which they stood by my colleague in the government and myself on this question—have, within the last two or three months, heard rumours that it is impossible to satisfy the maritime provinces?

Let me take up the first recommendation of the Duncan report in regard to the money grants to the provinces. That recommendation has been implemented to the full. Every suggestion made in the recommendation has been carried out. Let me correct the statement of the hon. member for Pictou (Mr. Cantley) that the extra subsidy was not paid

to the Nova Scotia government during the session of parliament of last year. How could it be paid then? Why does the hon. member wish to leave the impression that the government of this country was keeping back that payment? The hon. gentleman should know that a certain practice prevails which regulates the payment of subsidies. These subsidies are paid twice a year on the first of July and the first of January, and on the first of July of last year a cheque was sent to the public treasury of Nova Scotia. If, as the hon. gentleman states, anything was kept back of money due to Nova Scotia by this government, that money was kept, not out of the extra subsidy, but out of the regular subsidy that was due Nova Scotia. That shows how the false impression was created and spread about, causing dissatisfaction.

Mr. CANTLEY: Was it not the recommendation of the Duncan commission that the amount of $875,000 should be paid forthwith?

Mr. VENIOT: I was coming to that. The hon. gentleman has now given me the very ammunition I want and I thank him for doing so. There is another attempt on the part of somebody to leave the impression that the government of this country are tardy in paying this amount because the Duncan commission used the word "forthwith." Of course it did but parliament had to vote the money. The money could not be paid forthwith without a vote of this house and it could not be paid by the government until parliament voted it.

Mr. CANTLEY: Why did the government not get the vote?

Mr. VENIOT: We did not forget to vote it. The hon. gentleman himself took a part in that vote. But the money could not be paid until the sanction of the proper authority in the person of the Governor General of this Dominion had been obtained and he had signed the act making it imperative upon the federal government to pay over these subsidies. What are the facts? This house rose late in the month of April of last year, and after the business of the house had been cleaned up and royal sanction had been given to all the bills that had been passed, this amount was paid on the first of July. On the 17th November, within seven months after the prorogation of parliament, the second amount was paid. The government did not wait to carry out the usual practice and pay the money only on the first of January. My hon. friend did not state that to the house and those who are using that argument are using it like the chairman of the board of trade of the city of Saint John, who used that argument at a meeting on the sixth day of December in that city. The Premier of New Brunswick who was sitting by his side allowed that statement to go without contradiction, or at least no contradiction appeared in the report, when he knew that that amount had been paid to New Brunswick four weeks prior to the date that the chairman was addressing the board of trade in that city. That is a sample of the propaganda which is circulated throughout the maritime provinces in connection with the Duncan report.

Let me come now to transportation and freight rates. A great deal has been said in regard to the question of transportation and the reduction of freight rates. It has been stated and the statement has been circulated broadcast by the boards of trade of Halifax and Saint John, the Saint John Telegraph-Journal and the Premier of New Brunswick, that the general average reduction was only sixteen per cent. I have in my possession a return which I asked for and received yesterday from the railway commission. The reason I asked for this return was because I wished to place it before the house. It shows the work done in checking up the twenty per cent reduction given by the Canadian National Railways from the first day of July to the present moment, and I am going to ask the permission of the house to place that return on the record because, as it is rather lengthy, it would take too much of the forty minutes at my disposal to read it. This, however, is what it will contain:

1. Statement of traffic affected by the rate reduction under the Maritime Freight Rates Act, 1927, showing charges as billed and as would be on basis of rates in effect on June 30, 1927; also the proportion accruing to the eastern lines out of the rates in effect June 30, 1927, with the percentage of reduction in such eastern lines proportion, on traffic moving wholly within territory Levis-Diamond Junction and east thereof.

2. The same on traffic moving from east of Diamond Junction to points in Canada west thereof.

3. The same covering traffic billed from Saint John, N.B. between October 1 to 14, inclusive, to points within territory Levis-Diamond Junction and east thereof, as well as traffic moving from Saint John, N.B., to points in Canada west of Diamond Junction.

I ask the hon. senior member for the city of Saint John (Mr. MacLaren) to pay par-

ticular attention to this, and to study these figures carefully when they appear in Hansard to-morrow. He will see that the reduction was not sixteen per cent.

Mr. MacLAREN: I made no statement in reference to any percentage.

Mr. VENIOT: I did not say that the hon. gentleman did. I asked him to study the figures and he will see that the reduction was not sixteen per cent, but more. The reason why I am calling his attention to this is because the propaganda on the sixteen per cent reduction originated in the city of Saint John, the home city of my hon. friend. As I have known him now for a number of years to be honest and conscientious in anything he wishes to advance, I feel sure that when he finds out that the statement advanced by the board of trade, of which I believe he is a member, the Saint John Telegraph-Journal and the Premier of New Brunswick, is not right, he will be honest enough to stand up in public in the city of Saint John at the first opportunity and point out that those gentlemen were wrong and that I was right.

Mr. MacLAREN: I would wish for a ruling of the railway commission which I shall be pleased to accept.

Mr. VENIOT: I am giving the finding of the railway commission up to date when I am submitting these figures for the records. They have not yet completed the full revision of the tariff submitted by the Canadian National Railways. The statement is as follows:

Statement of traffic affected by rate reduction under The Maritime Freight Rates Act, 1927 showing charges as billed and as would be on basis of rates in effect on June 30, 1927; also the proportion accruing to the eastern lines out of the rates in effect June 30, 1927, with the percentage of reduction in such eastern lines proportion.

Statement covers traffic billed from October 1st. to 14th. inclusive, 1927.

Traffic moving wholly within territory Levis-Diamond Junction, Que., and east thereof.

Freight Charges—	
As waybilled on reduced rates	$208,736 62
As would be at rates on June 30, 1927	260,988 42
Amount of reduction	52,251 80
Percentage of reduction	20.02%

Traffic moving from east of Diamond Junction to points in Canada west thereof.

Freight Charges—	
As waybilled on reduced rates	$189,854 78
As would be at rates on June 30, 1927	215,169 96
Amount of reduction	25,315 18
Proportion of charges east of Diamond Junction out of rates on June 30, 1927.	123,557 98
Percentage reduced charges is of eastern lines proportion on June 30, 1927.	20.49%

Summary.

Total freight charges—	
As waybilled on reduced rates	$398,591 40
As would be at rates on June 30, 1927	476,158 38
Total amount of reduction	77,566 98
Total proportion of charges east of Diamond Junction out of rates on June 30, 1927	384,546 40
Percentage reduced charges is of eastern lines proportion as of June 30, 1927	20.17%

Statement compiled from revenue figures furnished by the General Auditor of Revenues, Canadian National Railways under date of January 4, 1928.

Statement of traffic affected by rate reduction under The Maritime Freight Rates Act, 1927, showing charges as billed and as would be on basis of rates in effect on June 30, 1927; also the proportion accruing to the eastern lines out of the rates in effect June 30, 1927 with the percentage of reduction in such eastern lines proportion.

Statement covers traffic billed from July 18th to 30th and from October 1st to 14th inclusive, 1927.

Traffic moving wholly within territory Levis-Diamond Junction, Que. and east thereof.

Freight charges—	July 18th to July 30	October 1st to October 14	Total of both periods
As waybilled on reduced rates	$182,345 55	$208,736 62	$391,082 17
As would be at rates on June 30, 1927	228,811 34	260,988 42	489,799 76
Amount of reduction	46,465 79	52,251 80	98,717 59
Percentage of reduction	20.31%	20.02%	20.15%

Traffic moving from east of Diamond Junction to points in Canada west thereof.

Freight Charges—			
As waybilled on reduced rates	$127,339 20	$189,854 78	$317,193 98
As would be at rates on June 30, 1927	144,977 42	215,169 96	360,147 38
Amount of reduction	17,638 22	25,315 18	42,953 40
Proportion of charges east of Diamond Junction out of rates on June 30, 1927	86,849 88	123,557 98	210,407 86
Percentage reduced charges is of eastern lines proportion on June 30, 1927	20.30%	20.49%	20.41%

Summary.

Total freight charges—			
As waybilled on reduced rates	$309,684 75	$398,591.40	$708,276 15
As would be at rates on June 30, 1927	373,788 76	476,158 38	849,947 14
Total amount of reduction	64,104 01	77,566 98	141,670 99
Total proportion of charges east of Diamond Junction out of rates on June 30, 1927.	315,661 22	384,546 40	700,207 62
Percentage reduced charges is of eastern lines proportion as of June 30, 1927	20.31%	20.17%	20.23%

Statement compiled from revenue figures furnished by the General Auditor of Revenues, Canadian National Railways under date of September 13, 1927 and January 4th, 1928.

Statement of traffic originating at Saint John, N.B., affected by rate reduction under The Maritime Freight Rates Act, 1927, showing charges as billed and as would be on basis of rates in effect on June 30th, 1927; also the proportion accruing to the eastern lines out of the rates in effect June 30, 1927 with the percentage of reduction in the eastern lines proportion.

Statement covers traffic billed from Saint John, N.B., between October 1st and 14th inclusive, 1927

Traffic from Saint John, N.B., to points within territory Levis-Diamond Junction, Que. and east thereof.

Freight Charges—	
As waybilled on reduced rates	$16,573 60
As would be at rates as of June 30, 1927	20,642 18
Amount of reduction	4,068 58
Percentage of reduction	19.71%

Traffic moving from Saint John, N.B. to points in Canada west of Diamond Junction, Que.

Freight Charges—	
As waybilled on reduced rates	$8,592 11
As would be at rates as of June 30, 1927	9,647 24
Amount of reduction	1,055 13
Proportion of charges east of Diamond Junction out of rates as of June 30, 1927	5,228 12
Percentage of reduction in charges is of eastern lines proportion as of June 30, 1927	20.18%

Summary.

Total freight charges—	
As waybilled on reduced rates	$25,165 71
As would be at rates as of June 30, 1927	30,289 42
Total amount of reduction	5,123 71
Total proportion of charges east of Diamond Junction out of rates as of June 30, 1927	25,871 30
Total percentage of reduction in charges as of eastern lines proportion as of June 30, 1927	19.80%

Statement compiled from revenue figures furnished by the General Auditor of Revenues, Canadian National Railways under date of January 4, 1928.

What does this statement show? It shows in the first category that I mentioned a reduction of 20.02 per cent, in the next category a reduction of 20.49 per cent, and so on. As regards traffic moving out of Saint John, the reductions amount to 19.71 per cent on traffic to points within territory Levis-Diamond Junction and east thereof, and 20.18 per cent on traffic to points west of Diamond Junction. Yet in the face of that the Saint John board of trade, on the word of a so-called freight expert, sends out to the world the statement that the Canadian National have refused to comply with the orders of the railway commission and that all that we are getting today is a 16 per cent reduction.

Let me call the attention of the hon. senior member for the city of Saint John to a state-

ment which he made yesterday and which is not in accordance with the facts. The hon. gentleman, if I mistake not—and if I am wrong I know he will correct me—stated that the Canadian National Railways had submitted a freight schedule to the railway commission and that the railway commission had returned it to them with orders to revise their schedule to give a 20 per cent reduction. I want to say now—and I am not saying this in contradiction of the hon. gentleman personally because I believe that he was misinformed and got this so-called information through the instrumentality of the Saint John board of trade—that that statement is absolutely false. I make that statement boldly because within ten minutes after the hon. gentleman made his statement on the floor of this house, I called up the railway commission and quoted him verbatim and in reply the railway commission said, No. As a proof of the fact that the hon. gentleman's statement is not correct, let me say that we are now using that very same schedule to check up all the freight carrying of the Canadian National Railways in order to see if their schedules come within the twenty per cent reduction as recommended by the Duncan report, and so far we find that they do.

Mr. MacLAREN: May I ask if the tariffs of the Canadian National Railways have yet been approved by the railway commission?

Mr. VENIOT: I did not say they had been. I said that the railway commission have the schedules that were submitted on July 1, 1927, and that they are checking them up, and that checking shows the percentages that I show here. When they are through checking them up it will be found, I am positive, that the same ratio or proportion of reduction will be carried right down through the whole schedules as submitted to be effective July 1, 1927.

Mr. QUINN: You will add jam to the bread and butter.

Mr. VENIOT: It would be better if the hon. gentleman would add some sense to his interjections.

Mr. MACDONALD (Richmond-West Cape Breton): Very parliamentary language for a minister.

Mr. VENIOT: There is another gentleman from the eastern provinces who is feeling the shoe pinch.

Dealing with the question of freight rates and the figures I am submitting to the house, I wish to say that it is not a question of paper reductions such as are being asked for by certain so-called freight rate experts independent of the volume moving, but it is the percentage reduction of traffic as it actually moves over the line. In the case of a general reduction, the percentage reduction of the traffic as it actually moves is the only real test of what has been done, and the figures I have given are no paper reduction but represent the actual reduction calculated on the quantity of freight moved over the line in comparison with the quantity moved over the line previously at a higher rate. No better criterion can be found or accepted.

Let me go further. The third paragraph deals with port development and export. This question is divided into four sections dealing respectively with Canadian trade, Canadian ports, statutory harbour commissions, port development, maritime trade and harbour facilities. So far as this recommendation of the Duncan report is concerned, it has been carried out by the establishment of the harbour commissions. I know that certain persons in Nova Scotia maintain that Halifax should be put upon the basis of an absolutely national port and should not be called upon to pay any revenue or meet any of the expenses incumbent upon the development of that port in the way of interest, and so forth. The people of St. John have accepted the Duncan report, have accepted the commission, and are prepared to do their share in carrying on the affairs of that harbour, and to meet so far as possible the amounts necessary to pay interest on the capital that will be expended in the greater development of the port of St. John. Halifax is no better than St. John.

While I am not going to refer at all to the attitude that the people of Halifax assumed up to a certain period, let me say that Halifax finally has accepted the action of this government in implementing the Duncan report, and I am proud to learn that they are going on working out that recommendation, and I hope, and dearly hope, that both St. John and Halifax will in the very near future become great grain-exporting ports of the Dominion of Canada. That is the end to which we should work, and so long as I have a voice in the affairs of this Dominion, so long as I have the honour to occupy a seat in this house—

Mr. McGIBBON: It will not be long.

Mr. VENIOT: You cannot knock us out. My hon. friend is whistling to keep his courage up. So long as I occupy a seat in this house, and I expect to occupy my seat long after my hon. friend is politically dead, I shall put forth my very best efforts, whether I succeed or not, and I feel I shall succeed, in helping

to build up the ports of the maritime provinces, and not only to carry out all that the Duncan commission recommends, but as the years go by and the trade of Canada grows, the government of this country will have an eye to it that St. John and Halifax will come into their own. I have confidence in the government and Prime Minister of this country. The Prime Minister stated from his place in the house last session what the government intended to do, and he said that he would carry out what he had stated. I had absolute faith in him when he made that statement, and he has done nothing since that would tend to shake that faith no matter by whom held.

Now I come to the trade policy. What do we find? The Duncan report recommended that the Dominion government should apply its mind to this proposition in the light of maritime province interests and having regard also to the position of other provinces concerned with these same products—that is, the basic products of the maritime provinces, the products of the forest and of the sea—with a view to entering into closer trade relations with the United States so that the products of the forest and of the fishing industry would be allowed to enter the American market on reciprocal terms.

Our friends of the opposition have been attempting, either in this house or in the country, to condemn the present government, saying that we have been inactive in that respect. Would it not make anyone smile, Mr. Speaker, to hear a Conservative blaming a Liberal government because they did not get down on their knees every day in the week, and twice on Sunday, pleading with the Americans to give reciprocity to Canada? Our friends are not consistent. The Prime Minister in laying before this house the program which the government intended to follow in regard to these recommendations pointed out that there is to-day, and always has been under Liberal rule, a clause in the tariff which gives power to the Governor General in Council to enter into reciprocal negotiations with the United States in regard to natural products, and the gentleman who went before the Duncan commission and asked that we enter into closer reciprocal trade relations with the United States was no less a gentleman than the Prime Minister of New Brunswick, the Hon. Mr. Baxter, the one who led the phalanx in 1911 when we were trying to get reciprocity with the United States and who went up and down New Brunswick telling the people that it was disloyal to have any truck or trade with the Yankees. Perhaps I will be pardoned if I say that that is the class of political bunkum that hon. gentlemen are interested in, and that is being spread as propaganda throughout the length and breadth of the maritime provinces.

Mr. McGIBBON: Like Moses Asiz.

Mr. VENIOT: What did the hon. member say? He never opens his mouth that he does not put his foot in it.

Now I come to category 4 of this recommendation, respecting the coking plant. I am not going to discuss at length the question of the coking plant. The Duncan commission recommended certain things and the government have implemented this recommendation to the full. An attempt may be made to state otherwise, because the government has not yet dealt with the coal duty to protect Canadian coal. Be that as it may, the Duncan report in that respect has been implemented.

Then we go on and take the question of the bounty on steel. The recommendation so far as the bounty on steel is concerned, has not been implemented. At the very moment the Duncan report was being prepared by this house the tariff board was considering the question of the bounty on steel. The Duncan report recommended that they should also deal with the question of the duty on coal and the tariff board have this question now before them.

Having dealt with these recommendations which pertain particularly to Nova Scotia and New Brunswick, let me say that I intended to deal with the recommendations that pertain to Prince Edward island, but my hon. friend from Prince Edward Island (Mr. Sinclair) in a well thought out speech, in a speech consisting of strong arguments, pointed out how the government had fully implemented the Duncan report, so far as Prince Edward Island was concerned. I said a few minutes ago that propaganda was started in New Brunswick in order to belittle what has been done under the Duncan report. Let me give you an example. I hold in my hand an extract from the St. John Telegraph-Journal dated October 14, and this is what I find:

> A synopsis of the Duncan report, submitted yesterday at the meeting of the council of the board of trade, showed that of the thirty recommendations therein contained two had been implemented, seven had been partially implemented, there had been nothing at all done with nine, and there was a possibility that the remaining twelve might receive attention at some later date.

There is a statement that is going out to the country. A more glaring misrepresentation of facts has never been printed in the

province of New Brunswick or any other section of Canada. The board of trade of St. John, occupying as it does, a position of responsibility, should be careful of the information they send out to the public. Another example of the way these misrepresentations are made will be found in the Financial Post, and I may say here that the reporter or representative of the Financial Post toured the province of New Brunswick and got certain information which was unfounded in fact, and he got part of it from the board of trade in St. John. On that information he based a certain statement published in the Financial Post and referred to yesterday by an hon. member from the province of Nova Scotia. This starts out by stating that the commission recommended the maintenance of St. John Rosalie gateway. No such recommendation is to be found within the four corners of the book containing the recommendations of the Duncan report. The Duncan report referred to the St. John and Ste. Rosalie gateways, only in so far as that question was, and is now, before the railway commission, as being one of importance to the maritime provinces, but it made no recommendation with regard to it. Again we find a recommendation that something be done by way of treaty to better the maritime markets in the United States for fish and forest products. This paper states that nothing has been done. It has been pointed out that we have authority to deal with that situation. But it takes two parties to make a bargain. When we undertook to deal with the United States some years ago the party opposite told us they did not wish to have reciprocity in natural products, and some gentlemen on the other side indicated that they were strong supporters of that policy. When we again took up matters in a mutual way with our friends to the south, we got for reply the Fordney bill, which places a tariff wall between the United States and Canada in respect to our natural products. That is the answer we got, and yet they are sending out propaganda that this government is content to do nothing, and this propaganda is fostered by the Conservative party in New Brunswick at least, if not in the other two provinces. Their representatives stand up in the house and say that because you have not applied to the United States for reciprocity, you cannot expect—

Mr. MacLAREN: Not to interrupt, but for the sake of completeness, may I remind my hon. friend of the recommendation at the bottom of page 25—relating to the powers of the railway commission?

Mr. VENIOT: I will deal with that; I am not through. Give me time to get through with the matters I am now dealing with. So far as extending the powers of the railway commission is concerned, it was distinctly pointed out last night on the floor of this house that to undertake to extend such powers would not only require an amendment to the Railway Act, but would destroy the whole rates structure of the Dominion. My hon. friend who now puts the question to me sat in this house last winter and agreed with and applauded that statement.

Mr. MacLAREN: No, not at all.

Mr. GUTHRIE: Never.

Mr. VENIOT: All the statements touching the Duncan report and the reasons why this and that recommendation could not be carried out were accepted by hon. members opposite without a murmur.

Mr. MacLAREN: Not at all.

Mr. VENIOT: Did the hon. gentleman protest?

Mr. MacLAREN: Yes I protest.

Mr. VENIOT: You do now, but did you last winter?

Mr. MacLAREN: I approved of what was being granted, certainly.

Mr. VENIOT: Why did you not protest?

Mr. MacLAREN: My position was—

Mr. VENIOT: I do not think I should be confined to forty minutes after all these interruptions.

Mr. MacLAREN: The hon. member is asking for the interruptions.

Mr. VENIOT: When the hon. gentleman spoke I did not interrupt. Now let me refer to the argument used yesterday by the hon. gentleman in regard to the gateway at St. John. He said it was absolutely necessary to have this gateway opened for competitive purposes and so prevent railway monopoly. How can there be any monopoly and how can there be a competitive reason for its existence when the Canadian National Railways are compelled to make the 20 per cent rate reduction recommended by the Duncan report, but it is not compulsory on the other railway system; and if the latter do so it will have to be along the lines which govern in relation

to the Canadian National system. There can be no need of competition in order to do justice and give fair play to the maritime provinces. I am not going to attempt to discuss in detail the principle of open gateways, but I do say to my hon. friend that this is the only instance in the railroad history of the world where one railway is compelled to hand over freight originating in its own territory to a competing railway that does not touch that territory at all. If our friends opposite can accept such a principle then it is up to them to justify it.

In conclusion, Mr. Speaker, I wish to refer to some statements made by my hon. friend from Pictou (Mr. Cantley) in the course of his speech yesterday. Referring to a passage in the speech of the hon. member for Hants-Kings (Mr. Ilsley) in moving the address my hon. friend stated:

> This Mr. Speaker, is a striking example of the ignorance and arrogance of youth.

Then he proceeds:

> May I ask him which party and what party leaders brought about confederation?

Surely this is the first time I ever heard that the Conservative party could claim the sole credit of bringing about confederation. The fathers of confederation were Liberals and Tories alike. What was Sir Leonard Tilley at the time of confederation?—a good substantial Liberal. True, he changed his policy later on in 1887, but he stood as a Liberal for confederation. Who were the Liberals of Quebec and Ontario who stood for confederation? Their names are recorded in our history. And confederation never would have been possible, so far as Nova Scotia was concerned, had it not been that Joseph Howe at last waived his opposition to the proposal. But my hon. friend hands it down as authentic history that the Conservative party brought about confederation. Then he goes on:

> Which party in 1869 bought the lands of the Hudson's Bay Company?

Not the Conservative party; it was a coalition government in 1869 that took this step. My hon. friend is falsifying Canadian history. He also asked:

> Which party built the Intercolonial railway?

The Intercolonial railway had to be built as part of the pact of confederation, and Liberals and Conservatives brought that about. True, the railway was built under a Conservative government which took office in 1871, but my hon. friend has no right to claim any credit for his party in respect of this national undertaking. And he also put this question:

> Who played the "Linger Longer Lou" comedy in Washington?

Why, if my hon. friend will only read the history of his own party he will find that the first to play the "Linger Longer Lou" comedy were the Conservatives under Sir John A. Macdonald and under Sir George Foster and under Sir Charles Tupper; they took those frequent trips to Washington to induce the United States government to enter into certain reciprocal arrangements with this country. Now, if my hon. friend's expression, "This is a striking example of the ignorance and arrogance of youth," could be applied to the hon. member for Hants-Kings, might I not say that his interpretation of history is a striking example of that forgetfulness which comes with old age?

If I have any further time at my disposal, Mr. Speaker, I should like to touch on one more point in connection with freight rates which I overlooked. The chairman of the St. John board of trade in the course of his annual report to the board at a banquet held in December made this statement—

Mr. BENNETT: You are past your time.

Mr. VENIOT: Is my time up?

Mr. SPEAKER: Yes.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I do not know that I should have had the temerity to intervene in this debate had it not been for the characteristically bombastic speech of the Postmaster General (Mr. Veniot) who has just taken his seat. Down in New Brunswick the utterances of the hon. gentleman amount to nothing, and I do not think they will mean very much here after the members of this house have had an opportunity of hearing him a few more times. The people of my native province have taken the measure of the hon. gentleman—

Mr. VENIOT: And the courts have taken your measure.

Mr. HANSON: —they determined in August, 1926, that he should no longer be premier, and he is here as a member of this administration by the pure force of circumstances.

Mr. VENIOT: What about the circumstances that brought you before the courts?

Mr. SPEAKER: Order.

Mr. HANSON: I do not intend to emulate the example of the hon. gentleman. I should like to see the debate conducted on a little higher plane, and for that reason I do not

propose to follow him in the manner of his presentation; but I do desire to make a few remarks with reference to the subject matter of his address. Before I do so, however, I should like to advert for a moment to the speech from the throne. It is the most remarkable document of its kind that I have ever read. I defy anyone to say that it lays down any constructive policy, or that any single paragraph holds out the slightest hope to the business men of this country. Certainly it contains nothing that holds out any hope to the industries of the Dominion; there is no hope held out to those who are seeking employment—and in my part of the country they are many; there is no hope held out to our manufacturing industries, and it is absolutely mute on the question of fiscal policy. It is easy to say that the country is prosperous. The Prime Minister (Mr. Mackenzie King) said so the other day in the very eloquent and very extended remarks that he addressed to the house; but saying that a thing is so, and its being actually so, are two entirely different propositions. I submit that having had three or four good crops, and Providence having been kind to some persons in the Dominion, in that respect there is a substantial amount of new wealth. We are all glad of that, no one more so than I. But as to there being real prosperity, I have yet to be shown. In the province of New Brunswick I am very sorry to have to say that conditions have not improved. I say this very reluctantly, for there is no one in this house who takes a greater interest in the industrial development of my province than I do. I am doing everything that is humanly possible, within my humble sphere of influence, to extend industry in New Brunswick, and I shall continue to do so whether or not I am a member of this house.

I do not intend to refer to the question of national status that has been raised in the speech from the throne and in the course of this debate more than to remark that as a humble student of international law I submit this as a sound proposition, that Canada is not a sovereign state and never will be so long as she is an integral part of the British Empire. I am content that she never should be a sovereign state.

Just for a moment or two I would like to refer to the speech of the Minister of Immigration (Mr. Forke), who, I am sorry to see, is not in his seat. He made a speech in this house a day or two ago which I followed with the greatest possible care, as well as I could hear him. I have not taken the opportunity of reading his remarks as recorded in Hansard, but the impression made upon me by his speech was that it was a confession of impotence and inability to meet the situation. I have one suggestion to make. At the recent annual meeting of the shareholders of the Canadian Bank of Commerce, Sir John Aird, that great financier who appeared before the banking and commerce committee of this house some time ago, made a most constructive suggestion. It was to the effect that if the Department of Immigration of this country found itself unable to cope with the situation, a round-table conference should be called with the heads of the colonization departments of the railways, the immigration departments of the provincial governments and all others interested in this great national work, in order if possible to arrive at some solution of this problem—because it is a real national problem which is capable of solution and should be dealt with at the earliest possible time if this country is to grow as every hon. gentleman in this house desires it to grow. I commend that suggestion to the Minister of Immigration. He will receive assistance from the members of the provincial governments; I know that the government of New Brunswick are sincerely anxious to cooperate with the federal Department of Immigration in the solution of this problem, and I venture to give the minister the assurance that he will not find the provincial government of New Brunswick, Conservative though it may be, actuated in the slightest degree by any political considerations. What we in New Brunswick want in the first place is to retain our own native born, and then we want a healthy influx of desirable immigrants from the British Isles. I cannot place too much emphasis on the word "British", because if you look back on the experience of the United States, particularly during the year 1917, but both before and after that time as well, you will see the result of the mixed immigration policy pursued for so long by that great country, which brought about the quota system and a policy of discrimination that should be adopted by any country desiring to remain white, or to remain British, as is the case with Canada.

I am sorry the Postmaster General is not in his seat. I do not for a moment venture to suggest that he has left the house because of anything I might say, because I am quite sure that the hon. gentleman has courage; I have never known him to run away from a fight. He is a professional politician, and I do not use that term in any derogatory sense at all, because I quite appreciate that a man who becomes a member of a federal cabinet must become more or less of a professional

politician. I am not a professional politician but a commercial lawyer, and I feel it is due to the people of New Brunswick, whom he has attacked here this afternoon, and especially the associated boards of trade of the maritime provinces, that there should be some reply to the references he has made.

The hon. minister referred at great length to the Duncan report and to the carrying out of its terms by the present government. I should like to refer for a moment to what took place in this house last session with regard to that report. We have all read the Duncan report many times; personally I have studied it with the greatest possible care. We all heard the Prime Minister read a very carefully prepared statement in this house last session as to the attitude of the government in regard to the recommendations of Sir Andrew Rae Duncan and his associates, and I am bound to say that the people of the maritime provinces were heartened both by the report and by the attitude of the Prime Minister as representing the government of the country. But to say, as the Postmaster General has said, not only from his seat in the house this afternoon but at two public functions in the maritime provinces within the past few weeks, that the government has implemented eight out of the ten major recommendations of the Duncan report, is, in my humble opinion and in the opinion of other close observers, very wide of the mark to say the least. Let me take up some of the more important points to which my hon. friend alluded this afternoon.

Mr. DUNNING: Would my hon. friend clear up one point for me? I would like to know whether there are ten recommendations or thirty.

Mr. HANSON: It all depends on what you call specific recommendations. While there are ten major recommendations, I suggest that altogether, major and minor, there are thirty-two recommendations.

Mr. DUNNING: Everyone who reads the report gets a different idea as to the number of recommendations.

Mr. HANSON: I suggest to the hon. gentleman that he read it again and make up his own mind.

Mr. DUNNING: I have done so, and have honestly endeavoured to carry them out.

Mr. HANSON: I know my hon. friend has read it, but as to the last part of his remark, I say to him that he has only partly carried out the recommendation affecting his department, and if I have time I intend to refer to that recommendation dealing with international freight rates which, so far as I know, he has not attempted to put into effect.

Now let us refer for a moment to the money grants, which are of such great importance to the provincial governments. There is no doubt that the recommendations of the Duncan report in regard to this matter were as clear and as specific as the English language could make them. If anyone desires to look them up they will be found at page 19 of the report, and at the risk of taking up some of my very valuable time I will read them. I find this forty minute rule a very cramping thing, although I must confess that I was a party to it in the special committee last year. This is what I find in the report:

> We do not feel, however, that it would be right or wise that the maritime provinces, in their present state of grave necessity, with deficits accumulating against them in their ordinary revenue and expenditure, should be left in suspense until a re-assessment is made by the Dominion government, and accordingly we recommend that immediate interim lump-sum increases should be made in the payments to the three maritime provinces. . . . .

If that meant anything at all it meant that just as soon as the government received authority from parliament, immediate lump-sum payments should be made, but that was not done. If I remember correctly parliament prorogued on April 14, and the first payment was not made until July 1, which is not "immediate" within the terms of the Duncan report. Even then, only fifty per cent of the sum voted by parliament as a minimum lump-sum payment was paid, and at first it was proposed to hold the second payment until January 1 of this year. What did that mean? It simply meant that the provincial government of New Brunswick could not balance its budget for the then current fiscal year, because in that province the fiscal year ends on October 31, and I believe in Nova Scotia the fiscal year ends on September 30, a month earlier. The idea was to hold back fifty per cent of the lump sum due so that both the provincial governments, which happened to be Conservative governments, would be compelled to go to the people and say that they had a deficit.

Mr. DUNNING: Oh, no.

Mr. HANSON: I have not a doubt in the world that that was the idea in mind. More than that: the Prime Minister, if I read his recent statement aright, and I think I do, did not on this specific recommendation accept the underlying principle of the Duncan report. As I understand the underlying

principle of Sir Andrew Rae Duncan's recommendation in respect to this very vital matter, it was that this interim lump sum payment should be paid and continually paid until the whole question should be finally settled as between the federal treasury and the other provinces, but that these payments were to be over and above and outside any consideration which could be given to the claims of other provinces for increased federal subsidy. That is the way I understand that principle. The Prime Minister specifically said—if my recollection serves me aright, I am sorry at the moment I have not his actual words under my hand—that they could not accept that recommendation. Now what does that mean? It means that my friend the Premier of New Brunswick and my friend the Premier of Nova Scotia have got to convince the treasury not only of the dominion but of every one of the other provinces that we in the maritime provinces, because of what we lost when we went into confederation, are entitled to that extra lump sum over and above any other consideration that may be given to the other provinces. Not only have we got to fight a battle with the treasury department of Canada; we have to fight it out with every one of the other provinces. Surely that is not what was recommended. We do not know exactly what happened at the Dominion-provincial conference, and I shall have something to say about that in a moment. For reasons which seemed to be good, and perhaps were good, we have no official report of the debates which took place at that conference. However, I do know that "the 'coon came down" and the payments were made less what this government kept back from Nova Scotia. Ultimately the payments were made—because I believe, of the good sense and the good conscience of the Minister of Finance (Mr. Robb); I want to pay him that tribute.

Now with respect to freight rates: this is an intricate matter, which no hon. member can hope to encompass in the course of the few minutes that are allowed under the present rule, but he can at least present a summary. The maritime freight rates act did not contain all the things which it ought to have contained. Primarily, I think, the Minister of Railways is responsible for that, and accepts full responsibility. Under that act the Canadian National Railways did file their tariff. My hon. friend the Postmaster General laboured at great length this afternoon to prove that under these schedules the national system had given more than a twenty per cent reduction in the rates covered by the act. Well, my answer to that is this: If more than seven months have elapsed since those schedules were filed with the railway commission, why have they not been approved by the commission? Does it take seven months to check up the schedules that were filed on June 29 last? There is another reason. It is that the schedules as filed do not, I believe, in the opinion of the railway commission fill the bill under the act.

Mr. DUNNING: Can my hon. friend show that?

Mr. HANSON: No, I cannot. I am trying to reason as closely as I possibly can, and I am expressing that as a proper inference from the non-activity of the commission in the matter. Now what do we find? We find that the board of railway commissioners did make an order which the national railways sought to evade. I am coming now to the question of the so-called "gateways." I quite appreciate that this is a technical question and one about which the average man ought not to express an opinion too freely. But I understand the principle is laid laid down by the interstate commerce commission in the United States, and is acted upon in that country, that a railway initiating shipments of freight has a right to the long haul, or the longest possible haul. That is a principle which the national railways are seeking to have incorporated in our freight rate structure, or in our sphere of transportation, in reference to all long hauls initiated on their lines in the maritime provinces. That is a principle which has never been enforced in the maritime provinces, and the primary reason, I believe—I want to be absolutely fair about this; the minister need not shake his head, because he will not find any fairer minded man in this house than I am—the reason is that the system grew up when there was no national railway system and the Intercolonial railway was the only railway operating there. I think that is correct. Now the condition which has prevailed in the maritime provinces in that respect has been of infinite value to every shipper of freight in that part of the country. He will get no special advantage in freight rates, but he will get something which is almost as good—the advantage of the competition in service, and no shipper in the maritime provinces is willing to forego that to-day.

Mr. DUNNING: Will my hon. friend permit a question? Does he agree to the extension of that principle throughout Canada, that the shipper should have the right to

order the transfer to a competing railway of a carload of his goods at the nearest transfer point?

Mr. HANSON: I am not going to answer that question, because I do not know what the effect of it is. The minister does or should know.

Mr. DUNNING: That is the real problem.

Mr. HANSON: But what happens? Perhaps this will be the best answer to the Minister of Railways. The management of the national railways objected to the order of the railway commission. They wanted the Ste. Rosalie and St. John gateways closed. The railway commission ruled that they were not to be closed, and we have the spectacle of the government of this country through its influence and control—perhaps I had better take that back.

Mr. DUNNING: Yes.

Mr HANSON: It may not have been the government; I want to be fair. But we have the spectacle of the management of our national railways—

Mr. DUNNING: That is better.

Mr. HANSON: That is accurate I think. We have the spectacle of the management of the national system, which is responsible to the government for the management of the railway, appealing to the Supreme Court of Canada from the decision of the board of railway commissioners on this very important matter. It may be they could have done it without the consent of the government; my own opinion is that if the Minister of Railways had said "no" they never would have appealed, and he will have to answer for that to us down below.

Mr. DUNNING: I shall have pleasure in answering right here.

Mr. HANSON: Very good.

Mr. DUNNING: I do not expect to follow my hon. friend "down below."

Mr. HANSON: I will admit that and say, down east. I am attributing nothing to the hon. minister. What happened as a result of that appeal to the supreme court? The Ste. Rosalie gateway was kept open and the St. John gateway was closed. I want to speak with all respect and perhaps I have not sufficient knowledge, but I must say that I cannot understand why one gateway was ordered closed and the other was kept open. However, that is the present state of the law. So that neither the Minister of Railways, the Postmaster General, nor anyone else, can say that as a legal proposition the management of the Canadian National Railways was right.

Has the Duncan report been implemented on this matter of transportation? I say no. I want to tell the house that the great mass of forest products traffic originating on the national lines as well as the Canadian Pacific in my native province is destined for points in the United States. Give us that twenty per cent reduction to which we are entitled under the Duncan report and we will get a dollar on every thousand feet of lumber we ship across the line. Under present conditions in the sawn lumber business, about which I claim to know something, that may make all the difference between a loss and a profit. Let me tell the Minister of Railways and his colleague who sits beside him (Mr. Veniot) that the New Brunswick shippers of forest products will never be satisfied until this matter is straightened out properly and we receive the twenty per cent reduction on international freight rates.

Mr. DUNNING: Could the hon. member frame an amendment to the statute which would be within the competence of this parliament and which would render that effective?

Mr. HANSON: I have never tried, but I will undertake to try, and I will undertake to present it to the house if the Minister of Railways will give it support.

Mr. DUNNING: After it was passed, would shippers of goods on international lines under that rate get a freight rate twenty per cent less than they have to-day?

Mr. HANSON: My information is that they would.

Mr. DUNNING: My information is positively to the contrary, and I am negotiating.

Mr. HANSON: The answer depends on where you are getting your information. My hon. friend gets his from Sir Henry Thornton. I do not go to him for information; I get my information from those who have made representations directly to the American railways, to the traffic managers of those big companies, and who tell me they have no doubt that we shall get the benefit of the twenty per cent reduction if the government will do this.

Mr. DUNNING: The American railways definitely refuse.

Mr. HANSON: We have had the spectacle this afternoon of the Postmaster General making a very determined attack on the gentlemen of the board of trade of the city of St. John. I do not know that I am called upon

to intervene between him and them. I think Mr. Alexander Paterson, who is the gentleman who is responsible more than any other man for the information put out from time to time by the Saint John board of trade in reference to freight rate matters, will, in his own good time and in his own inimitable way, deal with the Postmaster General. He cannot slander a body composed of men like Mr. L. W. Simms, one of the finest gentlemen in Canada.

Mr. VENIOT: Somebody is leading him astray.

Mr. HANSON: He is not the kind of man who will be led astray. He is to-day vice-president of the Canadian Manufacturers' Association and next year he will be president of that body. That shows his standing not only in his community but in the whole of the Dominion, and I venture to say the people of New Brunswick will not have the slightest hesitation in choosing between the veracity of the Postmaster General and that of Mr. Simms. I will say that much by way of defence of one whom I consider a very fine cultured gentleman and one who has been slandered to-day by the Postmaster General.

Mr. VENIOT: He was not slandered.

Mr. HANSON: As regards my friend and former colleague, Mr. Baxter, I have no fear that he will not be able to take care of the Postmaster General in due course and at the proper time.

Mr. VENIOT: We have often met.

Mr. HANSON: He usually has done so whenever they have met. I do not understand, and I deny as specifically as I know how to deny anything, that the agitation which was initiated by the associated boards of trade of the maritime provinces was fomented in any way by the Conservative party in those provinces. If it had been I certainly should have been one of the first to know about it; I think hon. members will give me credit for being in the party councils far enough at all events for that purpose. The agitation against the method and manner in which the Canadian National Railways have implemented the action of this parliament was started by the associated boards of trade of the maritime provinces, which include in their membership many good outstanding Liberals, and in no way, shape or form was this agitation fomented by the Conservative party in New Brunswick. It so happens, however, that they took their case to Mr. Baxter and, able advocate as he is—no abler in the maritime provinces—he presented their case as and when he thought it was necessary to do so. I have never yet seen it answered by anybody, least of all by the Postmaster General in the three-hour tirade which he delivered in the Admiral Beatty hotel at St. John just before Christmas. These are two of the recommendations of the Duncan report that have not been implemented. Time will not allow me to go into them all.

I should like to take up the question of fiscal policy. It is a far cry back to reciprocity, and the least hon. gentlemen opposite say about it the better, I should think. I do not see any signs of the Liberal party wanting to resurrect this corpse. Least of all do I see any sign of any responsible political leader in the United States wanting to revive this policy, and I think reciprocity may well be left to the limbo of the past. But there is need of a fiscal policy as regards the industries of the maritime provinces. There is an immediate need in respect to the steel industry, and I ask the Minister of National Defence (Mr. Ralston), as the gentleman representing Nova Scotia in this government: What are you going to do about the steel industry? Time presses and the industry will not wait. What has happened in the town of New Glasgow? There are, for instance, silent hearths and ninety-three per cent of the workmen have crept away to the United States. Will the government get them back? If so, let us get them back quickly before it is too late.

What is the government going to do for other industries in the maritime provinces? I am not specially interested in coal and steel, although I am to a limited degree interested in coal. I witnessed the spectacle the other day in the town of McAdam in my riding of Virginia coal being burned on Canadian Pacific locomotives. This coal was landed and dumped at McAdam within seventy-five miles of a coal mine in my riding that was opened up and established to serve the Canadian Pacific. The Canadian Pacific buy of course, in the cheapest market. In that case let us have a little intelligent application for once of the dumping clauses.

Mr. VENIOT: Does the hon. member mean to say that the Canadian Pacific can buy West Virginia coal cheaper than Minto coal?

Mr. HANSON: They are buying it.

Mr. VENIOT: The hon. gentleman is mistaken.

Mr. HANSON: I am not mistaken. I have seen the invoices.

Mr. VENIOT: I have the information from Sir Thomas Tait, and he gives an entirely different statement.

Mr. HANSON: I know the coal is landed in McAdam, for duty purposes at all events, at five dollars a ton and Minto coal cannot be landed at McAdam for five dollars a ton. I have seen the invoices.

Mr. VENIOT: That is not with the duty added.

Mr. HANSON: We want some declaration of fiscal policy from this government regarding the boot and shoe industry in my constituency. What has happened? The British preference has been extended and extended and extended so that to-day the people who make the Hartt shoe, the finest made in Canada, are just able to hang on by the skin of their teeth. They do not know what day they may close. The Minister of Railways laughs. This is no laughing matter in the city of Fredericton.

Mr. DUNNING: I rise to a point of order. The hon. member accused me of laughing at something he stated, which would make it appear in the record that I was laughing at the disaster which he was depicting in connection with an industry. Not only was I not laughing at the disaster he was depicting, but I was not laughing at all.

Mr. HANSON: I accept absolutely the statement of the minister.

Mr. DUNNING: It was very cute of the hon. member to do that.

Mr. HANSON: I am quite willing to take the minister's statement; I do not think he would laugh at a situation such as that. But what does he think of the situation down in Dartmouth, at the rope works? One after another, since 1921, the industries of my province, due to the pernicious lack of policy of this government, have dwindled away, failed and gone hence, never to return so long as we keep this government in power. I think the case of the rope works at Dartmouth is one of the saddest that has come under my observation in many days. The only thing that I can contemplate with more horror is that this government, at the behest of their friends from Saskatchewan, should interfere with the cotton schedules in the next budget. If that is done, we shall have one, two, three or four more deserted towns in the province of New Brunswick. Let me paint you a little picture. On the banks of the Nashwaak river, in the county of York, lies the beautiful little town of Marysville, built by a great pioneer of industry in the province of New Brunswick, the late Alexander Gibson. It is the only memorial to his memory now in existence. He had the option, having amassed a huge fortune in the lumber industry, of investing either in railway securities or in industry. He put his money into industry, and in the eighties he built in that beautiful little town the largest cotton mill that up to that time had been erected in Canada. For many years that cotton mill has supplied employment for seven hundred intelligent and well-paid mechanics and operators. The annual payroll of that mill is $700,000, the average wage per head being $1,000 per annum. Since 1921 they have found it difficult enough to keep that mill going at seventy per cent capacity. What does that mean? Operating at only seventy per cent of its capacity means all the difference between a decent livelihood for the operators in that mill and the strictest penury. To-day the shadow is hanging over that town. I have had the mayor and representatives of the men come to me and beg me to do everything I can to counteract the pernicious action of the gentleman who is fathered by the members for western Canada before the tariff board. They asked: What will become of this town if this mill shuts down?

There is not another wheel turning in the town. What will become of the entire community if you rob it of an annual cash payroll of $700,000? I want to tell you, Mr. Speaker and gentlemen of the House of Commons, that if the cotton schedules are interfered with in the next budget the first thing that will happen will be that two mills in the city of Saint John will be closed at once. The Milltown mill is operating on short time now, and the Marysville mill is in great jeopardy. What does that mean? Assuming for the purpose of argument, which I do not admit for one minute, that the tariff schedules represent a tax, as gentlemen on the other side are so fond of saying, it has been figured out—I have not figured it out myself, nor have I attempted to verify it, but in the brief submitted by the cotton manufacturers it is figured out that it amounts to five cents per head for each resident of Canada. There are gentlemen in this house and in the Liberal party who for the sake of five cents per head saved to their constituents would rob that industry of the protection that is necessary for its very existence. I thank you, Mr. Speaker and the house for your very kind attention.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, at a time when our most enlightened statesmen are endeavouring to create in this country a national sentiment, the attitude of our hon. friends of the opposition, who persistingly criticize the sessional program, seems to me very strange.

On the 2nd of February last, the hon. member for Argenteuil (Sir George Perley) was disturbed at the thought of the proposed appointments of Canadian ministers to France and Japan. He criticized the government for creating a legation in Washington and stated that the commissioner for Canada, in Paris, owed his appointment to certain reasons of a sentimental order. Disregarding the general feeling of his riding which, on December 6, 1921, together with all the other ridings of the provinces of Quebec, had repudiated Sir Robert Borden's policy, he had the boldness to proclaim that the ex-Prime Minister had done more than any other to make us the masters of our own destinies. I well know that the hon. member would not dare advocate such a claim in his electoral division, neighbouring mine, and that his protest against the new status of our Dominion would meet with very few followers.

Pursuing his speech, the hon. member for Argenteuil outlined to this House the various aspects considered by the hon. leader of the opposition, regarding the dangerous complications which might arise from the appointment, by Canada, of ministers in foreign countries. Would the hon. member inform this House as to how these so-called complications would arise? Does he fear a conflict over the jurisdiction of the Imperial government, and that of our country? Whence would arise this conflict since the British Empire, according to the text itself of the proceedings of the last Imperial conference, is composed of "autonomous communities equal in status, and freely associated as members of the British Commonwealth of Nations."

Following the hon. member for Argenteuil, the hon. representative for South Wellington (Mr. Guthrie), expressed the same fears. The former pro tempore leader of the opposition astonished nobody. Speaking as generalissimo of his party, on February 26, 1927, at the ninth annual banquet of the Princess Patricia Club, he stated: "that Canada should confide to England the care of deciding questions of general interest to the empire as it was practised in 1914 at the declaration of war". But the ex-leader of the opposition did not stop there. He proclaimed highly, and this in time of peace, that Canada was not doing its share in the defence of the empire.

Mr. Speaker, according to the statements of these hon. gentlemen, I have no fear in asserting that their attitude is an obstacle in promoting a Canadian spirit in this country. Their policy makes them more imperialist than the inhabitants of the British Isles themselves. Their policy is a hindrance to the realization of true Canadian national spirit, at present so much sought by all well thinking citizens of Canada.

I followed with much interest the speech delivered in this house by the hon. member for St. Lawrence-St. George (Mr. Cahan). I read and re-read attentively the historical, legal and scientific observations which he eloquently made on the new status of Canada. Less imperialist than his hon. colleagues whose statements I have just commented upon, the hon. member hesitates to declare himself upon our old vassal state and that of our present rank of nation in the world. However, in the concluding remarks of his speech, he notices "in this country much agitation and irritation as to questions of race and religion," and he further wavers. How absurd! Where is to be found, sir, that great unrest? Whence comes that outbreak of quarrels of which my hon. friend speaks? Quite the contrary, and in this I share the conviction of my hon. friend for Charlevoix-Saguenay—I know no country in the world where law is more respected. Heaven preserve us from trouble makers, propagandists of communism or bolshevism! Coming back to the so-called agitation and irritation noticed by my hon. friend, let me point out to him that, more than at any time perhaps since confederation, we witness the triumph of the ideas of his illustrious leader, Sir John A. Macdonald, who stated: "There exists no conquering or conquered race in this country." If the hon. member wishes to be honest about it, he will agree with me that it is wonderful to have succeeded in making a nation with such an immense country, by conciliating the various sections of the population and which, already moved by the same patriotic spirit, is the envy of the world, thanks to its prosperity in all spheres: agriculture, finance, industries of all kinds, and natural resources.

In my capacity of representative of a riding almost exclusively composed of farmers, I have the honour to draw the attention of the house to the total agricultural returns in Canada, amounting to $1,600,387,100 for the year just ended. Who can tell us the amount of energy displayed by our Canadian farmers

to obtain such results? The government which, at present, is entrusted with the destinies of the country has rendered great services to the farming class. It has brought down the cost of production by reducing the duties on farm implements. It has found new markets for the sale of farm products. As regards vegetable and animal products alone, our farmers have exported last year, the amount of $796,871,009. Kindly note, Sir, that these statistics do not comprise the exports of lumber and other similar products which belong to the soil.

In the province of Quebec alone—an ideal country for farming, dairy industry and the raising of cattle—the output reached the remarkable figure of $282,739,000. This is a wonderful achievement. Yet, our rural population will continue to face the future with confidence inasmuch as those in charge of the country's welfare will lend them their generous assistance. That is why, I rather think that the hon. Minister of Finance (Mr. Robb) in bringing down his next budget, will extend to our deserving farming population an encouraging and recomforting message. Let us bear in mind that agriculture is the barometer of national prosperity. It is also the mother of all other industries. From the most remote ages it has fed the world, and under the benevolent eye of Providence, it carries on its sublime mission, which is to spread life, fecundity and happiness among the nations. Let me now say a few words with regard to our financial situation. England and the United States alone surpass our country for the average wealth per capita. The sale of Canadian bonds in 1926, amounted to $565,278,644, and in 1927, to $616,464,400, that is an increase of more than $50,000,000 in one year. But a more important fact to note, is that Canada has been the principal purchaser of its bonds to the amount of $305,461,186, compared with the United States which only purchased to the amount of $300,304,547.

Is this not an irrefutable proof of our country's prosperity? However, the beneficial results of a rigid economic policy do not stop here. The surplus of revenue over expenditure, as brought out in the auditor general's report is more than $73,000,000 for the fiscal year 1926-27, notwithstanding a decrease in the taxation resulting from the war. Alas! shadows must intervene to spoil the picture and the treasurer of Canada informs us that the high handed proceedings of the Right Hon. Mr. Meighen, when he grabbed power in spite of the popular will, in 1926, cost the country the fabulous sum of $1,844,479, representing the expenditure which resulted from the general elections on September 14, 1926. In the short interval which elapsed between dissolution of parliament, on July 2, 1926, and the meeting of the 16th Parliament of Canada, on December 9, of the same year, an unconstitutional government found it possible to expend $80,671,982 by governor general's mandates. Of this amount, nearly $1,000,000 was taken from the treasury without even the slightest authority from the people's representatives.

My hon. friends of the opposition have always been very fond of inquiries. Perhaps they would relish less an inquiry made on the misdeeds of their short but evil administration. We had planned an economic policy and built up the finances of the country. Our hon. friends of the opposition coming in by the backdoor, in spite of all traditions and constitutional usage, seized upon the occasion to batter in the public treasury. Compare, sir, our opponents' policy with ours.

Allow me, sir, to broach the important problem of immigration. I am pleased to note that the Canadians who have emigrated to the neighbouring republic, are coming back in large numbers. I highly appreciate the government's efforts with a view to repatriating our people. In the course of the year 1927, 40,245 Canadians returned to this country. I think that, for the present, repatriation is our best policy on immigration. Let our government therefore increase their generous efforts to induce our people, who have emigrated, to recross the border. Certain experts in statistics figure out that the number of French Canadians living in the United States is a million. I think that with a little encouragement and persuasion, many among them would agree to return home.

During the year 1927, 154,318 immigrants have come to us from the British Isles, United States and other countries. A rigorous selection should be resorted to. It would be the greatest mistake to increase the number of unemployed to the detriment of our people. These new comers should all be settled in colonization areas and take up farming. We only need immigrants who have passed both the sanitary and moral tests, and I am aware that the government is now keeping a strict watch as to this matter. We must also bear in mind that these immigrants will become Canadian citizens and they must therefore not be refractory to assimilation.

The speech from the throne mentions the visit of the Secretary of State for Dominion Affairs. Like the hon. member for Charle-

voix-Saguenay it is impossible for me to arrive at a definite conclusion as to the reason of his trip to our country. On the other hand, the Monthly Review, writing on the agricultural and industrial progress in Canada, mentions a project that the Right Hon. Mr. Amery has submitted or will submit to the Canadian government. The scheme would consist in bringing over to this country from Great Britain, a few hundred army men who have already undergone training in the most modern ways of farming. These immigrants would be guaranteed work for the next five years. This, in my opinion, is a delicate question, and full of consequences. If in fact these people from the British Isles come to Canada on condition and on a formal undertaking that they will take up farming, very well! But if on the other hand, deserting their new inheritance, they are to benefit some day from the famous clause of the Civil Service Act which would give them, with a minimum of qualification, preference over our young men, I think, that it is my duty to condemn beforehand a scheme which would favour strangers to the detriment of our people! However, I have faith in the executive of my country, in their wisdom and the cautiousness they will display in solving this problem.

I cannot refrain from mentioning the interest that is shown by the government in regard to aviation. The aerial communications are on the eve of a period of development unknown heretofore, and Canada owes it to her pride to step out with the other countries in this new sphere of activity. Already, from the Atlantic to the Pacific associations have been formed in the principal centres of the Dominion. They will be called upon to render valuable services in the commercial sphere as well as in research and topographical work. Air mail service will increase and extend our commercial and industrial relations. I therefore must congratulate the government on such laudable initiative, providing however that in this as well as in other matters, their first aim is the primordial interest of Canada.

Mr. Speaker, a more and more brilliant future is in store for our country. Under the enlightened guidance of distinguished statesmen, such as the right hon. Prime Minister and his colleagues, we have reasons to expect much. Already, we are in a position to compare most favourably with the old Europe. If, for instance, we glance over France, Belgium or Italy, if we inquire on the spot into the economic and financial situation of these various countries, we are filled with the legitimate pride of having nothing to envy them. One sees on the other side of the Atlantic pitiful workers toiling for the derisive salary of 15 or 20 francs per day, that is 60 or 80 cents of our monetary value. Generally speaking, all classes of society are happy on Canadian soil. Our public service, our systems of transportation offer to the tourists comforts unknown over there. It is true that the genius of these great nations has accumulated artistic treasures, which speak more to the heart and soul than a nugget of gold, but the day when our young Canada so full of promises will have reached its glorious zenith, it will be the finest country in the world.

Hon. S. F. TOLMIE (Victoria, B.C.): Mr. Speaker, it is not my purpose to impose on the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address any formal congratulation, but just in passing I should like to wish them the compliments of the session, and save time that way. We often hear a great deal about the prosperity of Canada, and it is true that we are enjoying a certain amount of prosperity. Why not? We have perhaps one of the richest countries in the world in natural resources, one of the richest per capita to be found anywhere. We have enjoyed in addition to that excellent prices for our basic metals and, until recently, good prices for our timber. We have been blessed with three or four years of good growing conditions and excellent crops, and have been able to place our crops on a market that was bare in comparison with what it was immediately before the war, largely due to the fact that Russia and some other countries were not producing to the extent that they were before the war took place. Then again we have had cheap money available. Money has been getting cheaper as the world has been getting back to normal business conditions, so that we have been able to secure capital for the development of our resources at fairly easy rates. After all, therefore, you cannot attribute this prosperity to the actions of the present government; if the Conservative party had been in power under similar conditions I think our modesty would have prevented us from claiming credit for it. Taking it all in all I think it has been a matter of good luck on the part of the Liberal party rather more than anything else.

The question of our status has occupied a good deal of the time of the house, and I do not propose to trespass on the time of hon. members by discussing the matter at any length; I think there are many other matters in which the rank and file of the Canadian people are more interested. Speaking from my own experience, having lived

a little more than half a century on the Pacific coast, I can recall several occasions during that period when it was a very lucky thing indeed that Canada was a part of the British Empire. My experience has led me to think that we should try to get closer to that empire rather than endeavour to see how far out of it we can get and still remain in it. Looking into the future, and having regard to the tremendous development that will take place on the Pacific coast within the next few years, we shall unquestionably find it to our benefit to be part of and cooperate with the great British Empire, and to learn at the earliest possible moment to do our duty towards that empire and help to carry a part of the heavy burden now almost entirely imposed on the mother country.

I think the matter which has been referred to by one or two of the previous speakers, the emigration of our young men and women, is one of the greatest tragedies that we have to face. We educate our young people in our universities and schools at considerable expense, only to find that when they are ready to undertake employment there is no employment offering for them in their own country. We can only keep them at home by offering them equal treatment to that which they will receive in the United States or elsewhere. They must be paid wages just as attractive; they must be given working conditions that are at least just as good, and we must have work offering for them in sufficient volume to engage them when they are ready to undertake it. To-day then we should make the best of our opportunities. We have a country, as I have already pointed out, rich in natural resources, and we should try to have the Canadian people themselves develop these resources to the fullest possible extent. We have a tariff to use if we wish. I am not one of those who think that the only good we can get out of the tariff is by raising it. In certain cases where a lowering of the tariff would get us more business, by making bargains with other countries and so forth, let us adopt that course. In other cases where a certain amount of protection is necessary, let us apply protection, always using the tariff as an instrument to better the conditions in our country and to keep the work here for our own people. We must cut out sectionalism. We must take a country-wide view of the whole situation, a Canadian rather than a provincial or district view. We must keep under consideration all the various activities in this great country of ours, always remembering that conditions are not the same in one part of the country as they are in another, and adopt a system of give and take, if we are going to build up a united Canada. No one should expect any special treatment in his particular line. We should adopt as a principle the policy of manufacturing our raw products at home to the fullest possible extent, although I fully realize that this cannot be applied in every case—that it cannot be applied to as great an extent as we would like to apply it.

In the matter of wheat, I think we should adopt the principle of putting through the processes of manufacture in Canada every bushel of wheat we possibly can, and selling that product in raw form only where we cannot manufacture at home. Two great advantages would result from this policy, first, the work it would provide for our own people, and second, and almost as important, the retention of the offal, the bran and shorts that are left over after the manufacture of flour, for the use of our live stock men in building up that very important branch of agriculture.

Then in regard to our timber, we should manufacture our woods as much as we possibly can. There are certain conditions under which it pays us better to export timber in the form of logs. There are certain conditions of the market on the Pacific coast under which it would pay us to ship the logs out of the country and receive the cash for them rather than hold them on a slow market and have them injured by the teredo worm or depreciated in value from other causes.

At one time in British Columbia we shipped the bulk of our minerals south of the line to be refined; some went to Wales. Down on the Columbia river below Rossland, in West Kootenay, we have a little town of eight thousand people, built up entirely by refining our raw ores instead of shipping them away. What has been the result? This town of eight thousand people has been established; the payroll is eight million dollars per year; the refinery require certain other things not directly connected with the refining, making it necessary for them to buy in one single year five thousand tons of structural steel, three and a half million bricks, four and a half million feet of lumber, and one carload of cement every two days throughout the year. They are buying these things in British Columbia and building up a great consuming centre where our farmers and agriculturists can sell their products without paying heavy freight rates to far distant markets. What I want to point out is this, that if we had still continued the old system of shipping out our raw products, we should not be deriving the benefits that I have described.

In my opinion we should remove any inequalities in the tariff which are detrimental to the development of Canada. Particularly do I refer to agricultural products on which in the tariffs between Canada and the United States the balance is in favour of our neighbours. As you know, Mr. Speaker, they are in a very much better position than we are for the production of early produce, such as eggs, vegetables and fruits of various kinds, which they are able to ship into our country against a very low tariff in comparison with that demanded of our shippers in the event of their finding it necessary to market their surplus south of the line.

Let us learn, too, to run Canada for the benefit of the Canadian people first—for those people who stay in the country, who pay our taxes and conduct the government. Take the woollen industry as another illustration of what I have been urging. Our manufacturers have been protected to a certain extent until the woollen industry has reached a production volume of about one hundred million dollars per year. But look at our sheep population. Our farmers receive no protection for their raw wool. What do we find as a result? Australia with a sheep population of ninety-seven million; Great Britain—a small country in area—with over twenty million; little New Zealand with twenty-seven million; the United States with between thirty and forty million—and Canada with only two and three-quarter million. Why? Our wool has never been protected, and we have not had the stabilizing effect that the protection of wool would bring about. Compare this condition with that in the United States. They have a tariff on raw wool running as high in some cases as forty-five cents a pound, with the result that their wool and sheep industry is on a sound basis and is making more and more progress from year to year.

We should encourage the consumption of home products in every way possible. I am a very firm believer in keeping our Canadian dollar circulating in the country as long as we possibly can. I might suggest to the hon. Minister of Marine and Fisheries (Mr. Cardin), as was pointed out by a previous speaker, that one of the most practical ways of doing this would be to make sure that Canadian coal is burned in government ships. Then, taking into consideration the fact that we are importing from the United States nearly seven hundred million dollars' worth of products every year, and that many of those products could be produced in this country, I think very good results would be obtained by making a careful analysis of the imports and selecting those particular lines which we can produce here at a profit, and then stimulating and encouraging in every way their production at home instead of importing them from another country.

In this particular connection we might begin on butter almost right away. While I am strongly in favour of cultivating trade within the empire, I do think that the butter-maker of Canada is receiving unfair treatment under present conditions. Even my good friend the Minister of Agriculture (Mr. Motherwell) I know will admit that it is useless for our dairymen to attempt in the middle of winter the production of butter with stored feed, such as hay, grain, ensilage, and so forth, in competition with the grass butter of New Zealand; but this is what they are up against at this time of the year. It is all nonsense to tell us that the Canadian dairyman was very much delighted with the tariff of one cent per pound on butter coming from Australia and New Zealand; at least, judging by the papers, I do not think there is any evidence of delight on his part in some of the reports that I have seen. I have in my hand a report of a meeting in Toronto, held on November 22 and 23, at which the hon. Minister of Agriculture was present. It is interesting reading:

> Hon. W. R. Motherwell, Dominion Minister of Agriculture, met with a rather warm reception from the National Dairy Council of Canada in the King Edward Hotel yesterday, and heard, in no uncertain terms, the council's attitude toward the Australian trade treaty.
>
> The minister came as a speaker, but most of his remarks were devoted to an answer to an address by J. A. Caulder, of Regina, Sask., president of the council, who outlined the whole situation, and told of the effect the treaty had on the dairy industry in Canada.
>
> Mr. Motherwell made a half-hearted defence of the treaty, at best, and advised the members of the council to send a strong deputation to Ottawa to meet the government on the matter.
>
> The Australian treaty, said the president, was put over when we were asleep. We were not awake to its effect on us.
>
> During the winter of 1925-26, there were few ill-effects, and Australia did not benefit through the treaty. At that time, consignment business in butter was prevented, because it came under the anti-dumping regulations. Thus we could tell when shipments of butter from Australia and New Zealand were due in Canada, and govern ourselves accordingly. We were able to keep the price up to normal, and experienced little difficulty.
>
> The next winter, however, was different. There was the strike in England, which injured our market there, and we found ourselves with an over-supply on our hands. New Zealand took advantage of the treaty and sent in large quantities of butter, on which it could undersell us. The farmers of Canada simply stopped milking their cows.

Now consignment business has been taken out from under the anti-dumping regulations. Cargoes of Australian butter can be unloaded in New York under bond and held until the Canadian market is ripe for it, and we never know when the market is going to be flooded with this butter. Butter can similarly be dumped under consignment at Halifax or Vancouver and held there for sale.

I have two attitudes on this treaty, said Mr. Motherwell. I have my own personal opinion, and as a member of the government which sponsored the treaty, I have my public opinion.

Mr. MOTHERWELL: Might I ask my hon. friend if that report is from the Mail and Empire?—because they did not have a reporter there, and they conveniently left out the word "not." I said, "I cannot have two opinions."

Mr. TOLMIE: The report is from the Mail and Empire.

Mr. MOTHERWELL: I thought so. They had no reporter there.

Mr. TOLMIE: I am not surprised that my hon. friend is not feeling very comfortable about the concessions given to Australia and New Zealand in connection with the importation of butter into Canada. He realizes, I am quite sure, just as well as I do that it is an utter impossibility for us to compete under the conditions I have described—the manufacture of grass butter in the Antipodes, because they have spring and summer down there when we are in the middle of winter—while our butter is being produced under the highest cost basis of the whole year. We heard the other day that it did not have very much effect on our market. I read in the Market Examiner, published in Calgary under date of February 2, that a cut of two cents a pound became effective on the market on Wednesday of last week. According to this paper increasing make and rumours of New Zealand butter on the market were mainly responsible, which shows that these people were of the opinion that this imported butter has had a serious effect. Apparently the rumours were very well founded, because I find the following despatch appearing in one of our morning papers dated February 3, and coming from Victoria:

Twenty-seven thousand boxes of butter were included in the cargo of the R.M.S. Niagara, which arrived here to-day from Australia and New Zealand.

That number of cases of butter, with fifty-six pounds to the case, gives a total of 1,512,000 pounds. The average Canadian cow produces 150 pounds of butter per year, but even if we are generous and say the average cow produces 250 pounds per year it would mean that the amount of butter brought in on this one boat would keep 6,048 Canadian cows busy for a whole year. If we allow ten cows to the farm this would mean 600 mixed farms nicely established in this country of ours which would help to conserve our market for our own people; and there would certainly be less cause for migration to the United States.

Another serious result from this importation of butter is that the dealer on the prairies, who used to buy the surplus grass butter and keep it in cold storage for use in the winter, now buys his butter from New Zealand and Australia and brings it in just when he likes, consequently he does not make as great an effort to buy the summer butter when it is produced in quantities. The question has been asked once or twice why this has not had the effect of lowering the market price, but I think anyone who understands the situation fully is aware of the fact that in the United States a tremendous demand has sprung up for our cream and milk, and in that way large quantities are shipped out south of the line. So I would say that the government have been particularly lucky in that this developing American market appeared after this legislation was introduced.

Another matter which I would like to refer to is the absolute necessity of paying our technical experts in agriculture and many other departments of government sufficient wages to retain them in Canada. Just the other night I was in conversation with a gentleman from Australia, and he informed me that he had purloined two experts from the Department of Agriculture, because he was able to more than double their present salaries. One of these experts is a man connected with a developing industry here, the tobacco industry, but he is going to Australia where he will doubtless render very excellent service, and his departure will be a loss to this country. We should recognize the ability of these men and pay them enough so that some other country cannot come along and pick off the tops whenever they feel that way inclined. We have established in Canada a very enviable reputation wtih regard to the health of our animals. This has only been brought about by a splendid corps of experts engaged in this particular line, under what is known as the health of animals branch of the Department of Agriculture. These men have rendered excellent service; one of the important reasons which induced the British government to consider the removal of the cattle embargo was the fact that Canada could boast of having the cleanest herds in the world, free from most animal contagious diseases. These

men should be paid sufficient money to enable us to retain their services, particularly those who show special aptitude along certain lines, pathological or research.

Another matter which I think is of vital importance to this country is land settlement and colonization. If Canada needs anything it needs people; proper colonization would go a long way towards solving our railway problems and would assist equally in lowering our taxes, besides giving a great stimulus to industry and putting many acres of valuable land to work. I was rather surprised to hear the leader of the opposition (Mr. Bennett) criticized to some extent because he laid the actual conditions before this house. It was insinuated by my hon. friends opposite that we should adopt a sort of Doctor Coué attitude; that by continually telling ourselves we were prosperous, after a time we should be prosperous. I do not think we need hide anything in this country. We should lay our cards on the table face up, because there is no worse advertisement for Canada than to have a man come here intending to settle and expecting certain conditions, only to be disappointed. I would tell the settler in the first place that there are many opportunities in Canada, but that if he is to succeed he must expect to work. I would also make it very clear that there is no room here for the loafer who cannot afford to loaf. The spendid opportunities which exist in this country should be brought to the attention of the capitalist, but it should also be made clear to him that while capital invested intelligently and carefully will bring in good returns, Canada is not by any means fool-proof. We should welcome those who are willing to become Canadians and who will work for the progress of Canada. As far as the question of health goes I certainly agree with the government that we should make our inspections on the other side of the ocean. We have brought about the high standard of health of our animals by the strict application of the regulations of the department, and if it is necessary to insist on the health of imported animals it is all the more necessary for us to insist on the health of the people we bring to this country to lay the foundations for future generations.

Let us look for a moment at conditions in British Columbia. There we have a country larger than Washington, Oregon and California combined; larger than France and Italy, with Switzerland thrown in, and when it comes to the Alpine scenery of Switzerland, we have enough scenery of a similar character in British Columbia to bury twenty-five Switzerlands and have sufficient left to entertain all the tourists who come our way. We are very rich in natural resources, particularly in mines. Since the first mine was opened in British Columbia we have produced mineral wealth to the value of $900,000,000, and last year we produced mineral products to the value of $70,000,000. The country is rich from the west shore of Vancouver Island to the Alberta boundary, with minerals scattered in various districts between those points, and also from the forty-ninth parallel on the south to the Alaskan boundary on the north. So far as prospecting goes, our country has been merely scratched, and the mines already developed clearly indicate that mining in that province is a sound commercial success. Then again, west of the Rockies we have half of the standing commercial saw timber in the whole of Canada, and timber to the value of $82,000,000 was sold from our province last year. We produced 46 per cent of all the fish produced in Canada last year, and the value of our agricultural production amounted to $71,000,000. In addition to that we have a magnificent climate, and we have our splendid ports open the year round, unhampered by frost or ice. In addition to that we are very well located from a geographical standpoint, having easy access to the hundreds of millions of people on the other side of the Pacific, and having access also to the Atlantic side of this continent and to the ports of Europe through the Panama canal. British Columbia is about the same age as the states of Washington and Oregon, and is very little younger than the state of California as far as settlement is concerned. One would think that under these conditions we should have people flocking to British Columbia in thousands and tens of thousands, looking for an opportunity to locate. But what is the actual situation? While the three states to the south of us can boast of a population of 5¾ millions, we have but 550,000 people in the whole province of British Columbia. To show you how we are developing in comparison with some of these states, let me say that there are 160 million acres of range lands, and we are using 6 per cent of those lands at the present time, while the state of Washington is using 69.7 per cent of lands of the same character. We are importing 75 per cent of the meat that we require in that province, while the state of Washington is supplying her own meat and exporting the balance to other states. We used 12½ million pounds of butter last year in British Columbia. We purchased 7½ million pounds outside of the province, producing only 5 million pounds at home. These conditions show the absolute necessity of settlement in

that great province bordering on the Pacific ocean. The opportunities there for development are very great indeed, and as I pointed out, the settlement of these lands will bring about such a condition of prosperity as we have not enjoyed up to the present time.

Then with regard to the return of the railway lands to British Columbia: I am pleased to know that the commissioner gave a favourable judgment in connection with this matter, and that the government has intimated in the speech from the throne its desire to return those lands to the province. When British Columbia entered confederation in 1871 one of the provisions was that a railway should be constructed across this country to the Pacific coast, and there was a strong desire on the part of the British government at that time to have connection with their eastern settlements on the Asiatic side of the Pacific. British Columbia not only gave a grant of forty miles of land along the railway, twenty on each side of the line, but contributed in the ordinary way towards the construction of this great road. At that time apparently it was not realized what a great national project it would be; in fact it was stated that the line would never pay for the axle grease used in its operation and that the whole resources of the British Empire could never build and maintain the road. Well, you all know how absurd that prediction was. The railway has turned out to be one of the greatest national projects for the development of Canada that has ever been completed in its history. The Canadian Pacific railway was the pioneer across the prairies of the west. It has developed those great stretches of country, has contributed in no small degree to the growth of British Columbia, and has brought prosperity to Canada as a whole. Under those conditions we in British Columbia feel that being the only province in the whole Dominion which contributed land to that great national highway it is only fair that those lands which were given in trust for the purpose of building that railway should be returned to us now that the enterprise is finished and has accomplished so much. This policy has been pressed by the Conservative party ever since the year 1891.

I sincerely hope that before the end of the session the government will give us an intimation of what it proposes to do in the matter of railway communication into the great Peace river country, connecting that vast rich area with some point on the Pacific coast. This is something that will be looked forward to with great interest by all the people located on the Pacific.

There is one other matter I wish to refer to before taking my seat, and that is the necessity of building good roads throughout this country. Since the advent of the automobile the building of roads is a much more serious proposition than it has been in the past. Roads require to be widened. They must have better surfaces than ever before, be much straighter, possess fewer curves, and so forth. All these requirements tend to make road building much more expensive than it was in former years. The Dominion government after all is a very large user of our roads. The Post Office department, of course, uses our roads daily; in fact every department uses the roads more or less during the year. I should like to suggest to the government that no more popular move could be made than the adoption of the policy brought into effect by the Conservative party in 1919 and kept in operation until 1924, under which certain grants were made to the various provinces in proportion to population. That legislation was much appreciated by all the provinces, and was taken advantage of to the fullest possible extent. These improved highways are necessary to automobiles, and we must remember that the auto truck has come into use to an enormous extent within recent years. Any move therefore, along this line would be warmly welcomed by the people of Canada.

Mr. W. J. LOVIE (Macdonald): Mr. Speaker, in rising to make a few remarks in this debate I congratulate the government upon the fact that it is able to announce in the first paragraph of the speech from the throne that Canada is prosperous. Trade returns all bear out that contention and so far in this debate nothing has been brought forward to controvert the fact.

Certain parts of the prairie provinces have been visited with an epidemic of rust, something that is getting all too common, and the results of which are disastrous to field crops. The crop of the year 1927, although large in the aggregate has not a high money value on account of much of it being low grade, due largely to the ravages of rust. In the province of Manitoba the oat crop was promising but it was practically a failure due to the rust epidemic, and oats both for seed and feed purposes will have to be purchased. For this state of affairs we do not blame the government as they have no control over climatic conditions. On the contrary we give the Minister of Agriculture and his department credit for the amount of research work already accomplished along the line of developing rust resistant strains of

wheat. I would say, however, that what has been accomplished with respect to agricultural research has hardly touched the fringe of the question, and far more strenuous efforts will have to be made, and more money spent upon agricultural research work if results comparable with the importance of the industry are to be obtained. I would here impress upon the Minister of Agriculture just as the hon. member for Victoria (Mr. Tolmie) who spoke before me did, the necessity of paying to men trained in agricultural research work salaries commensurate with the importance of that work, and sufficiently high to prevent Canadian universities and other countries taking those experts away. If the regulations of the Civil Service Commission prevent the payment of adequate salaries, means must be found to overcome that limitation, because investigation of the rust problem is a question of national importance. The rust epidemic strikes at the basic industry of Canada, the industry which is the very foundation of Canada's prosperity. Agriculture is by far the most important industry in this country, and unless it is prosperous no other industry can hope to succeed. In order to bear out that contention may I quote from a speech delivered by Daniel Webster at a meeting of farmers in Boston in 1840. On that occasion that distinguished statesman said:

> Agriculture feeds us; to a great degree it clothes us; without it, we could not have manufactures, and we should not have commerce. These all stand together, but they stand together, like pillars in a cluster, the largest in the centre, and the largest is agriculture. Let us remember, too, that we live in a country of small farms, and free-hold tenements; a country, in which men cultivate with their own hands, their own fee-simple acres; drawing not only their subsistence, but also their spirit of independence, and manly freedom from the ground they plough. They are at once its owners, its cultivators, and its defenders. And whatever else may be undervalued, or overlooked, let us never forget that the cultivation of the earth is the most important labour of man.
>
> Man may be civilized, in some degree, without great progress in manufactures, and with little commerce with his distant neighbours, but without the cultivation of the earth, he is, in all countries, a savage. Until he steps from the chase, and fixes himself in some place, and seeks a living from the earth, he is a roaming barbarian. When tillage begins, other arts follow. The farmers, therefore, are the founders of human civilization.

To show the importance of agriculture in our country, let me say that the Canadian Review for 1926-27 gives the gross wealth of Canada's great primary industry of agriculture as approximately $7,817,718,000 for the year 1926. The figures from the same source for the value of the total production of agriculture are $1,668,175,000, while from forests the total value of production for the same period was $209,276,561; from mines, $241,245,898, and from fisheries, $56,360,633, or a total value from forest, mines and fisheries for the year 1926 of $506,883,092. It will thus be seen that agriculture, with a total production value of $1,668,175,000 for 1926, and forest, mines and fisheries combined, with a total production value of $506,883,092, has to its credit a total production value of $1,161,292,000 in excess of the other three sources of wealth combined.

It is too much for the producers in an industry, which produces $1,121,447,000 value of field crops in a single year and which is being menaced by the scourge of rust until it is in danger of total extinction, to ask that the prosecution of research work along the lines of finding and developing rust-resistant varieties of grain should be carried on vigorously and no expense spared in the prosecution of the work? What has already been spent upon rust research work has brought excellent results, but it is only a drop in the bucket compared with what will have to be spent by the Minister of Agriculture and his associates if success in dealing with the rust question is going to crown their efforts.

I wish to say a word on the Hudson Bay railway question. For the past forty years or more this Hudson Bay railway has been a live question in Canada around election time, but I am pleased to see by the speech from the throne that work is proceeding rapidly towards the completion of the railway. I wish to congratulate the Minister of Railways upon the energetic manner in which he carried out the work of selecting a terminal for the railway and also upon his prompt decision that Churchill was the better of the two ports in question. I have carefully studied the Palmer report upon both Nelson and Churchill, and from the data contained therein I have no difficulty in arriving at the conclusion that Churchill is by far the better ocean terminal for the Hudson Bay railway, and the wonder is that it was not selected years ago.

In conjunction with what the hon. member for Victoria (Mr. Tolmie) has said, I wish to say a few words about highway construction in Canada. A few years ago the federal authorities voted a lump sum of money which was paid over to the different provinces for highway construction upon the basis of population. I think the Dominion government was prepared to pay one-third of the construction costs up to a certain limit per mile,

but my information is that that money is all expended. As the provincial governments of the prairie provinces are embarking upon quite an extensive program of highway construction, something which is long overdue, I would ask the Dominion authorities to vote this session a substantial sum of money to be paid over to the different provinces upon a mileage basis, to assist in the construction of all-weather roads.

Regarding the tariff, let me say right here that Manitoba members, in common with all members from the prairie provinces, are pledged to insist upon and support a policy of tariff reduction. Everyone living between the Red river and the Rocky mountains is opposed to a tariff higher than is necessary to produce sufficient revenue to run the affairs of government. They realize that a high tariff is an injustice because it allows one class of people in a country to levy toll upon the other classes; in other words, to levy taxes upon their neighbours for their own special benefit. From the commencement of the session of 1922 until the close of the session of 1926 protection of Canadian industries and still higher protection was steadily preached in season and out of season from the Conservative side of the house. Not a word was said about the agriculturists in western Canada, a class who, by no stretch of the imagination, can derive any benefit from a protective tariff, but who can be badly hampered in their operations by the enhanced cost of living and production caused by protection. Canada which is raising around 400,000,000 bushels of wheat per annum has to find an export market for a large part of that commodity as well as for other agricultural products, and upon all products of which a portion is exported, the export price sets the price for home consumption.

Because Canada is an exporting country she requires to have a very low tariff to enable trade to flow freely across her boundaries. No nation can export its surplus commodities unless it is prepared to import at the same time, and no nation can purchase the surplus products of another without paying for them in goods. International trade is not carried on with gold as a medium of settlement, but goods pay for goods to the mutual benefit of both parties to the transaction. Before last session the tariff advisory board had only been a short time at work, and consequently the Finance minister did not feel justified in making tariff reductions as the evidence in none of the cases submitted to the board was completed. But now that the evidence is completed in a good many cases that have come before the board, the consumers in the country as a body are looking forward to tariff reduction during this session of parliament. In the matter of the cotton tariff schedule which was argued before the tariff board, the evidence brought out the fact that Canadian consumers of cotton paid for their requirements in cotton $19,000,000 above import value. The Canadian people paid $19,000,000 partly in taxes and partly in higher prices to keep this industry in Canada. In spite of that the cotton manufacturers had an application before the tariff board for an increase in the duties on cotton, but they certainly have not established any claim for higher duties unless it be on the assumption that they wish to be regarded as recipients of compassionate grants from the Canadian people.

One word now about immigration and I have finished. The speech from the throne mentions immigration and I would just say this, that it is something very strange if Canada, with its far-flung territory and vast resources, with a population of three persons to the square mile, while the United States has a population of thirty-five to the square mile, cannot support a population of more than nine or ten million people such as we have at present. We must take a broad view of the immigration question. Canada can support twenty million of a population just as easily as she supports half that number now, and were there that many in Canada, all settled and doing well, Canada would be more prosperous than she is at present.

Criticism is being levelled at the Minister of Immigration (Mr. Forke) by some for bringing immigrants into the country, and by others for not bringing in a sufficient number; and almost everyone thinks he could run the Department of Immigration a good deal better than it is being run; but if he had a try at it for a year he would find that in spite of the most rigid selection of immigrants that could be practised, misfits would get into the country and cause trouble. I commend the scheme which the minister mentioned that he had in view of bringing boys from the old land, from good homes, and giving them a year's training in agriculture in Canada under the supervision of the Department of Immigration. They certainly will not all make farmers: it is not to be expected they will, but there is no reason why they will not make good citizens and take to the ways of the land of their adoption very quickly. That the years from fourteen to eighteen is a very good age for a boy to emigrate, I can attest to from personal experience, as it was

when I was sixteen years of age that I crossed the Atlantic as an immigrant and made Canada my home, a choice, Mr. Speaker, which as the years have rolled past, I have seen no reason to regret.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 9, 1928

The house met at three o'clock.

MINISTERS OF THE CROWN

BILL TO OBVIATE NECESSITY OF RE-ELECTION UPON ACCEPTANCE OF OFFICE

Mr. S. W. JACOBS (Cartier) moved for leave to introduce Bill No. 28, to remove the necessity of the re-election of members of the House of Commons of Canada on acceptance of office.

Some hon. MEMBERS: Explain.

Mr. JACOBS: Mr. Speaker, I had the honour of introducing this bill last year, but it failed to be enacted into law owing to the somewhat precipitate prorogation of parliament. I am introducing it again in the hope that it may be passed this year. The bill is similar in its provisions to the measure which was enacted in 1926 by the British parliament, and since that time by certain of the states of the Commonwealth of Australia and the Dominion of New Zealand. Its purpose is set forth in one paragraph, to the effect that a member of parliament on attaining cabinet rank is not obliged to submit himself to his constituents for re-election. I think this provision will appeal to many in this house, to those who are on the front benches as well as to those who hope to be.

For the information of the house I may say that the statute was passed by the British House of Commons on the 15th July, 1926. It became law in New South Wales in 1906, and was also passed in the state of Tasmania and the Dominion of New Zealand. In some of the other states it has not yet been enacted into law. I shall have something further to say when the bill is read a second time.

Motion agreed to and bill read the first time.

RAILWAY ACT AMENDMENT

RETURN TICKETS

Mr. S. W. JACOBS (Cartier) moved for leave to introduce Bill No. 29, to amend the Railway Act (Return tickets).

Some hon. MEMBERS: Explain.

[Mr. Lovie.]

Mr. JACOBS: Mr. Speaker, I had the honour of introducing this bill, or one similar to it, on several previous occasions. It was strongly opposed by the two railway companies, which makes me believe that it must be for the benefit of the people. The bill is copied from the act which is in force in England, and its provisions are to be found in the one section which reads as follows:

> A return ticket issued by any railway company between any two points in Canada shall be accepted by any other railway company whose line runs between the same terminals.

I introduced the bill first in the parliament of 1922. I think it was introduced subsequently, but it had some rough sledding and did not emerge from the railway committee. The intellectual calibre of the present parliament being so much higher than that of previous parliaments I hope the measure will be enacted into law this session.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The house resumed from Wednesday, February 8, consideration of the motion of Mr. Ilsley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. F. P. QUINN (Halifax): Mr. Speaker, in rising to resume the debate on the address in reply to the speech from the throne, may I be permitted to join with hon. members who have preceded me, not in offering a dose of soapy, tepid water, to quote the words of the hon. member for Labelle (Mr. Bourassa), but rather in sincerely congratulating the hon. member for Hants-Kings (Mr. Ilsley), who so ably moved the address and the hon. member for Provencher (Mr. Beaubien) who so ably seconded it. Both of these hon. gentlemen acquitted themselves very creditably when you consider the poor material which was placed at their disposal.

Before proceeding further I want to draw to the attention of hon. members a very discourteous retort made to me by the Postmaster General (Mr. Veniot) during the course of his address yesterday. The hon. gentleman was telling the house how well the recommendations of the Duncan report had been implemented by this government, and he was quoting figures to show that on some commodities an excess of twenty per cent reduction had been made. Having in mind the words of the hon. member for Temiscouata (Mr. Pouliot) when he referred to bread and

butter and jam being handed out by the premier of Quebec to one of his political favourites, the Postmaster General used that term, and during his address I interjected the remark:

You will add jam to the bread and butter.

The reply of that hon. gentleman was:

It would be better if the hon. gentleman would add some sense to his interjections.

I did not make the remark in an offensive way; I consider it was very appropriate to the occasion, and I resent the implication of the Postmaster General that there was no sense in the remark. I leave it to the decision of hon. members if there was not as much sense in my interjection as there was in the whole speech of the Postmaster General.

While I am dealing with that hon. gentleman, may I bring another matter to the attention of the house? This is what he said in his speech yesterday:

Let me call the attention of the hon. senior member for the city of St. John to a statement which he made yesterday and which is not in accordance with the facts. The hon. gentleman, if I mistake not—and if I am wrong I know he will correct me—stated that the Canadian National Railways had submitted a freight schedule to the railway commission and that the railway commission had returned it to them with orders to revise their schedule to give a 20 per cent reduction. I want to say now—and I am not saying this in contradiction of the hon. gentleman personally because I believe that he was misinformed and got this so-called information through the instrumentality of the St. John board of trade —that that statement is absolutely false. I make that statement boldly because within ten minutes after the hon. gentleman made his statement on the floor of this house, I called up the railway commission and quoted him verbatim and in reply the railway commission said, No.

Let me read a letter from the secretary of the Board of Railway Commissioners under date of July 30, 1927.

ALISTAIR FRASER, ESQ., K.C.,
Commission Counsel,
Canadian National Railways,
Montreal.

DEAR SIR,—

File 34822

Referring to this matter, I am instructed to say that at a late meeting of the board consideration was given to the tariffs filed by your company under the authority of the Maritime Rates Act, and that the rates shown in such tariffs are inconsistent with provisions of the act and cannot be approved by the board; also that your company is directed to file forthwith, in place of the tariffs so already filed by it and not approved, such tariffs as are required by section (3) of the said act showing a reduction of approximately twenty per cent below the tolls or rates existing on the first of July, 1927.

That is the answer to my hon. friend, and I will leave it to the judgment of the house how much consideration can be given to statements made by him.

I will proceed to deal with the address of the hon. member for Hants-Kings who said:

Canada is prospering; we no longer talk of being on the eve of prosperity; we are enjoying prosperity. That prosperity has been briefly mentioned in the speech from the throne, and is more fully dealt with in the reports or addresses which have been presented by the presidents and general managers of the great Canadian banks to their shareholders during the last few weeks. These addresses tell the story of a greater progress than has ever before been experienced in the history of Canada, a greater prosperity than Canada has ever enjoyed.

I may say to the hon. member for Hants-Kings that the progress of any country cannot be measured by the success of its banking, financial and brokerage institutions. I recall at the end of last year reading in the press of my native city of Halifax that a certain brokerage firm had granted a bonus of two hundred per cent to all its employees. Is that an indication of prosperity? Of course it is of brokerage firms and financial institutions; but I ask my hon. friend from Nova Scotia: Did that apply to the farmers, the people engaged in agricultural pursuits in his province? Did that apply to the fishermen of the maritime provinces? Did it apply to the miners and men engaged in other labouring pursuits? He knows the answer and the house knows it. So we cannot judge as to the prosperity of this country by the success of our banking and financial institutions. Further on in his speech the hon. member said:

. . . a very real reason for the tardiness on the part of the maritime provinces to share in the prosperity of Canada. That cause is the lack of markets for agricultural products in that part of the Dominion.

The hon. member for Colchester (Mr. MacNutt) pointed out very clearly how that applied to the dairymen of Nova Scotia and how the government have in their own hands the remedy with regard to the dairymen of that province. I ask: Does it apply to the farmers, for instance, to the producers of potatoes? May I suggest to the hon. member for Hants-Kings, who comes from a potato-growing district, that if he is looking for wider markets he should go to the Minister of Railways (Mr. Dunning), because a market is to be found in his department. Last summer while the Hudson Bay expedition was being equipped they paid $12.50 a

barrel for potatoes from South Carolina to go to Hudson bay. There is a wider market for the hon. member.

As has been pointed out very ably by the representatives of the island of Cape Breton, there is great distress among the coal miners there, and when this same Hudson Bay expedition was being outfitted, all their boats and the supplies for Hudson Bay, all their coal supplies came from the United States.

Mr. DUNNING: My hon. friend is absolutely and completely wrong.

Mr. QUINN: I can bring the proof of it. I have not got it under my hand, but I can bring it.

Mr. DUNNING: That all the supplies—

Mr. QUINN: Coal supplies, I said.

Mr. DUNNING: Again I state that that statement is absolutely false.

Mr. BENNETT: I think the minister should withdraw that statement, Mr. Speaker. I raise the point of order.

Mr. SPEAKER: I would ask the hon. gentleman not to use that expression. It is rather harsh.

Mr. BENNETT: Withdraw!

Mr. DUNNING: Am I instructed to withdraw it, Mr. Speaker?

Mr. SPEAKER: I think it would be better, to set an example to the house.

Mr. DUNNING: I shall endeavour to keep in order, Mr. Speaker, but the statement of the hon. gentleman is certainly not in accordance with the facts.

Mr. QUINN: Then, Mr. Speaker, I will ask to have the report tabled in this house regarding the purchase of supplies for the Hudson Bay expedition.

Mr. DUNNING: You will certainly get it.

Mr. QUINN: The hon. member for Hants-Kings also said in his address:

> In addition to that, the production in many lines of agricultural endeavour has increased quite considerably. There is also a revival of interest in mining in Nova Scotia and the other maritime provinces as well, which in itself is very promising.

I notice that the hon. member did not mention where credit was due for the increased production in many lines of agriculture in his native province. That credit is due, Mr. Speaker, to the present administration in Nova Scotia which has seen fit to appoint a department of natural resources, administered by a competent head, under which there has been a great increase in agricultural production in Nova Scotia in the last two years. If my hon. friend is honest, and I am sure he is, he will give full credit to the Department of Natural Resources of Nova Scotia for the wonderful progress that has been made in agriculture in that province; and similarly with regard to the increased activity in mining, which has been due to the splendid administration of the local mines department.

Dealing with the Duncan report the hon. member for Hans-Kings said:

> Harbour commissioners have also been appointed for the city of Halifax, and it is hoped that this body will give some degree of direction and unity to the efforts of the people of that city to improve existing conditions.

I have not much to say by way of criticism as to that. We will first give the commission a chance to work. There may be some criticism in another session, but for the present all I wish to say to the Prime Minister and his cabinet in that regard is that if they had given more consideration to the business qualifications than to the political affiliations of the board, a better board might have been secured.

Considerable criticism has been levelled at the Department of Immigration, and justly so. Let me ask the Minister of Immigration (Mr. Forke) if he can justify the dismissal of the caterer of the Immigration department at Halifax other than for political reasons, other than for the purpose of appointing a political follower of his own party who was very badly in need of a job. George Foley held that position to his credit and in a way that has won for him praise from every transportation company operating out of Halifax. There was never a word of complaint, never a criticism about his conduct of the catering of the Immigration department at Halifax, and I tell this house and the minister that he cannot justify the dismissal of that gentleman. When hon. gentlemen talk about the progress and prosperity of Canada, I conclude that the progress they have in mind is to drive every man, woman and child who is not of the same political faith as themselves out of this country to the United States or some other country.

I am going to bring to the attention of the house a case which perhaps the Minister of Immigration will have an opportunity to explain. It is a case which came under my personal observation. I refer to the McConachie case. The minister knows the case

very well. This man McConachie, a Scotch miner, located in Lanarkshire, Scotland, served all through the great war, was wounded, and treated in hospital in England for a considerable time. Due to post-war conditions, he could not get work in his native country, and he decided to emigrate to Canada. He came out here to Glace Bay and obtained employment, and worked there continually for eighteen months. He has letters of recommendation as to his character, efficiency, and honesty, from the manager of the mines in Glace Bay. He saved his money and made a home so that he could bring out his wife and little family from Scotland. Finally he was able to send for them, and his wife with five little children made preparations to emigrate. First there was a mental and physical examination by the roster doctor in their home. This the family passed successfully. They came to Glasgow, where they had to undergo a similar examination, which they passed successfully. They disposed of all their household effects, and sailed on board the steamship Letitia, where, according to the regulations, the ship's physician again subjected them to an examination, which they passed successfully. They arrived in Halifax in December, about a week before Christmas, where another examination was made by I think Dr. Rutherford, who works in Quebec during the summer months and in Halifax during the winter. That doctor discovered that the infant child of fourteen months was feeble-minded. I have interviewed many medical men of prominence since this case came to my attention, and up to the present time I have failed to find a single physician who would say that a doctor can speak with any degree of certainty as to the mental condition of a child of fourteen months. That family was detained in Halifax in the Immigration department, and eventually the case came to my attention, and I visited the family and made personal observations. Here was a bonny little Scotch woman, virile and strong, with a healthy, red face; as good a specimen of a Scotch woman as you could possibly get, and they are all pretty good. There were five children, ranging in age from eight years down to fourteen months. I went into the immigration office about five o'clock in the evening; the family were sitting there with the father, who had come from Glace Bay to meet them. When I told them who I was, in company with the immigration chaplain, tears rolled down the cheeks of that father and mother when they told me of their case and how they had been detained there for three weeks. I asked for the story of the McConachie family, and he showed the baby to me in the arms of its mother. The baby's back was turned to the father, but when he said "Come, Bunny, come to father," the baby turned around, put out her arms and went to the father. That was the mentally defective child. I did not see any evidence of the Mongolian type to which the department referred in connection with this child. I stood there talking to the father and mother for three or four minutes, while the baby was in the arms of its father. Then the mother turned to the child and called it by name, and it turned and put out its arms and went to its mother. I went over and chuckled the little kiddie under the chin, and it smiled at me.

Some hon. MEMBERS: Oh, oh.

Mr. QUINN: It could not do otherwise. I offered it a little candy, and it put out its little hand and took it, and this was the child said to be mentally defective and feeble-minded.

What was the position of the Department of Immigration? They said the child must be deported to Scotland, and I suppose that is what my friend the minister calls encouraging British immigration. I wired the minister to this effect:

> Strongly protest against deportation McConachie family owing alleged feeble-mindedness child aged one who was examined and passed in Scotland by doctor selected Canadian government. Sailing was approved your department and family broke home. Husband working for and highly recommended by Dominion Coal. Has good home ready. Consider deportation of desirable family criminal and grievous blunder. Strongly urge admittance.
>
> FELIX P. QUINN, M.P.

Here is the answer, and hon. members will keep in mind that this child had been examined four times.

> Your wire. There is no doubt. . . .

Three doctors said the child was not feeble-minded while one said she was, so I submit that this is the judgment of the Minister of Immigration.

Mr. FORKE: I protest against any such statement as the last. The hon. member must know that matters of this kind are dealt with by the Department of Health and not by the Department of Immigration. I have nothing in the world to do with it.

Mr. QUINN: This telegram was sent to Robert J. Forke, Esq., Minister of Immigration, and the reply came back signed by Robert J. Forke, M.P., Minister of Immigration. I realized at the time that it was a case where the understrappers should not be dealt with, and I wanted to deal directly with the minister in charge of that department.

Mr. FORKE: You have the advantage just now; that is all I have to say.

Mr. KING (Kootenay): Mr. Speaker, just to clear up the point—

Some hon. MEMBERS: Order.

Mr. QUINN: There is no doubt—

Mr. KING (Kootenay): I thought the house would like to have it cleared up.

Some hon. MEMBERS: Order.

Mr. QUINN: This is the reply I received:

Your wire. There is no doubt as to the mental condition McConachie child. She has been definitely certified as feeble-minded with no prospect ever developing to anything near normal. Law specifically prohibits entry to Canada feeble minded persons. Apparent carelessness roster doctor cannot be accepted as grounds for admission prohibited immigrant who will require institutional or other care throughout lifetime. Decision to deport all members family was due to statement of mother that if child not admitted all wished to return. Cannot agree that action of carrying out requirements law is either criminal or grievous blunder. In final analysis Canada is entitled to protection from possible liability lifetime maintenance child. Father subsequently requested that other children be allowed remain with him in Canada and request complied with.

ROBERT FORKE.

Now, sir, I followed that up with a letter under date of January 7, as follows:

Replying to your wire of the 4th instant I have personally investigated the McConachie case and have seen the infant Margaret, who is alleged to be feeble-minded, and I protest against deportation for the following reasons:

Firstly, there is conflict of medical opinion. Roster doctor certified infant to be mentally and physically fit, and you are aware that roster doctors are selected because of their good standing and are appointed for express purpose of preventing deportations on physical or mental grounds, and therefore their opinions should have great weight.

Secondly, the infant, being only one year old, it is not possible to forecast with any degree of certainty what its future mental condition will be.

Thirdly, the board of immigration officers who investigated the case were very favourably impressed with the family.

So was I:

Fourthly, I protest on humane grounds. The husband's father, mother, brother, sisters and all relatives are settled in Nova Scotia and all are, like himself, doing useful work. The mother, on receipt of letter from immigration authorities in England approving of sailing, sold her home, and if now deported would have no home or friends to go to.

Lastly, I consider the deportation under such circumstances criminal, inhuman and a grievous blunder. It is clearly a case to be dealt with under section 4 of the Immigration Act, which was framed not only to safeguard the interests of Canada but to deal with justice to the immigrant as well.

For the above reasons I insist that this family should have admittance to Canada.

Now let me quote section 4 of the Immigration Act:

The minister may issue a written permit authorising any person to enter Canada, or having entered or landed in Canada to remain therein without being subject to the provisions of this act. Such permit shall be in the form A of the schedule to this act, and shall be expressed to be in force for a specified period only, but it may at any time be extended or cancelled by the minister in writing.

McConachie wired to the Minister of Immigration first, asking for a special board of three doctors, the expense of which he was prepared to bear, and by whose decision he was willing to abide, but to that wire he received no reply. When he has a chance I will ask the Minister of Immigration to say why section 4 was not applied in this case, because the mental condition of this infant could not be forecast with any degree of certainty.

Mr. FORKE: Might I reply now?

Some hon. MEMBERS: Order.

Mr. FORKE: The hon. member asked me to tell him.

Some hon. MEMBERS: Order.

Mr. QUINN: Then I have the final letter from the minister:

I am in receipt of your letter of the 7th instant, having reference to the case of Margaret McConachie, and have carefully perused the same. You state that there is a conflict of medical opinion, apparently basing the said statement on the grounds that the roster doctor passed the child. Whilst it is true that the roster doctor did not certify the child as being mentally defective, the evidence on file very clearly indicates that had she been properly examined, she would have been so certified. There is no conflict of medical opinion in so far as the medical officers of the Department of Health are concerned; in fact, there is a unanimous opinion on the part of both of these officers who personally examined the child, and their diagnosis was approved of by the chief medical officer of the Department of Health at Ottawa. It would be a most unreasonable attitude to ignore the diagnosis of three experienced Canadian medical officers and accept as establishing mental fitness the fact that a roster doctor had passed the child.

You state that it is not possible to forecast with any degree of certainty what the child's future mental condition will be, in view of the fact that it is now only one year old. I am unable to accept this statement, and my remark on the point in question is based on the statement of the chief officer of the immigration medical service of the Department of Health that "in the present instance (referring to the case of Margaret McConachie) with the physical characteristics of the type described as Mongolian, the mental deficiency is quite inseparable from the physical abnormalities as set out in the history. We are of the opinion,

therefore, that there is not the least prospect of the mentality of Margaret McConachie ever developing to anything near normal."

I fully agree that the child should never have been passed by the roster doctor and that the return of the child and her mother will cause hardship. This phase of the question was very carefully considered before a final decision was reached; in fact the whole circumstances were painstakingly weighed both by the officials of the department and myself prior to the decision being reached that the child could not be allowed entry. Had the child's disability been one which could reasonably be expected to respond to treatment and a cure effected, there would have been no hesitancy in allowing entry under permit. The evidence, however, is all the other way. I do not deny that the interests of immigrants are entitled to every consideration, but even above this must be placed the interests of Canada, and I may say very frankly that the admission of a feeble-minded child whose lifetime must be spent either under the care of her parents, other relatives, friends, or the state, with all that that implies, would not be in the interests of the country, and it was on these grounds principally that the decision to carry out the law was arrived at.

Yours very truly,

ROBERT FORKE.

Sir, law is law, regulations are regulations—but justice is justice. My hon. friend laughs. I ask him to come down with me to Halifax, walk out to the pier on a black, dreary day in the middle of January, look at the steamship there, lines cast off, and that buxom little Scotch woman, with a baby of fourteen months over her shoulder, standing on the deck, weeping bitterly, distracted, while her husband remains on the pier with four little bairns ranging from two and a half to eight years of age clinging to him, bidding farewell to his wife, who is banished forever. I appeal to you, sir, on the grounds of Christianity, on the grounds of humanity, yes, on the grounds of British patriotism, if this is the treatment to give to a British soldier who was willing to risk his life in the defence of his country. Yes, law is law, but I have often heard quoted the words of a prominent lawyer and former attorney general of my native province: There was never a law made but there could be found in it a hole large enough to ride through on horseback. The Minister of Immigration might have found a hole and admitted the McConachie child. Certainly he might have admitted the child under a special permit. McConachie himself was willing to accept a temporary permit for the child so that it might be admitted for a few months and be given a chance to develop, and at the expiration of that period to have a final examination, the result of which would be conclusive.

One other matter was dealt with very ably yesterday by the hon. member for York-Sunbury (Mr. Hanson)—the tragedy which is about to happen in my constituency through the threatened closing down of an industry in the town of Dartmouth which employs an average of 100 to 150 men with four or five hundred dependants. A delegation was here last week from the board of trade of the city of Halifax and the town of Dartmouth, asking for certain tariff concessions so as to save that industry from extinction. We are losing our industries in the maritimes as one by one they are being gradually driven away from us. Here is an opportunity for the government to do something to protect this industry. If tariff concessions are not made the industry will close down in the course of another four or five weeks, and Nova Scotia in general and Dartmouth in particular will suffer the loss of four or five hundred souls. Where will they go? They cannot go to the great west, for they are not farmers and would be no good on the prairies, and there is no need for them in our larger cities where logically they should go. Their only refuge is across the line to join their brothers and sisters. That apparently is the policy of the government. But I hope not, and I appeal to their judgment to do something to protect this little industry in the constituency of Halifax.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, my first words must be words of congratulation to my hon. friends from Hants-Kings (Mr. Ilsley) and Provencher (Mr. Beaubien) for the manner in which they discharged their duties as mover and seconder of this address. Their messages not only reflect credit upon themselves but on the constituencies which sent them here. I am also pleased to offer my congratulations to the hon. member for West Calgary (Mr. Bennett) upon his elevation to the high position of the leadership of his party. I wish him long life and every success in the office which he now holds, and I am certain that in his keeping the best traditions of the great Conservative party will be nobly maintained.

But, sir, I do not know that I would have risen in this debate had it not been for the peculiarly consequential role which my hon. friend the late acting leader of the Conservative party (Mr. Guthrie) assumes—the role of a lecturer on courage. His message to the hon. Minister of Finance was really amusing. What was more amusing still was the peculiarly consequential air with which he endeavoured to criticize the administration on its financial record. It is my purpose, in so far as I am able in the few minutes at

my disposal, to try to place the record of this government before the house and country in comparison with that of the Conservative administration which preceded it. In order to do so it is only right that I should refer back to the history of this country at the close of the Laurier administration, which in a period of fifteen years brought the Dominion to a stage of development of which every citizen is proud, at an increase in ordinary expenditure of less than four million dollars per annum. When their successors assumed the reins of power they found the treasury overflowing and the country in a prosperous condition. What was the result of their financial administration? They threw away the country's money to such a degree that at the end of three years there had been an increase in ordinary expenditure, not of $4,000,000 per annum, as was the case with their predecessors, but of over $36,500,000. If you look back over the records of that time you will find that even their own political friends and their party press were accusing them of squandering the finances of the country like a lot of drunken sailors. That was before the war. Then came the war, and in its direction and prosecution, together with the enactment of the War-time Elections Act and the act respecting the voting of soldiers, there came one of the most diabolical records of mismanagement and maladministration which had ever stained the pages of Canadian history. As regards that financial maladministration, what is the record? During the war they borrowed and added to the national debt, up to the year 1920, nearly $14,000,000 more than the entire cost of the war, saddling not only the people of Canada generally but our brave soldier boys, after they returned, with a burden which should never have been imposed upon them. The following statement shows that during the war the government did not collect even sufficient to run the country, outside of war cost:

Year	Total Revenue Receipts	Disbursements	Deficit	Spent on War and Demobilization Account
1914–15..	$ 133,073,482	$ 248,098,526	$ 115,025,044	$ 60,750,476
1915–16..	172,149,393	339,702,502	167,553,109	166,197,755
1916–17..	232,701,294	498,203,118	265,501,824	306,488,815
1917–18..	260,778,953	576,660,210	315,881,257	343,836,802
1918–19..	312,946,747	697,042,212	384,095,465	446,519,439
1919–20..	349,746,335	785,769,611	436,123,276	346,612,955
	$1,461,396,204	$3,145,576,179	$1,684,179,975	$1,670,406,242
			1,670,406,242	
			$ 13,773,733	

That burden should never have been created had that administration been conducted as it ought to have been. There was no reason why they could not have levied and collected hundreds of millions per annum, so that at the close of the war no one would have felt any additional taxation. Had that course been followed the national debt would now be comparatively light.

Mr. SPENCE: Oh, talk some sense.

Mr. McMILLAN: My friends do not like to hear this sort of thing, but I am afraid I shall have to point out the facts. As I say, they borrowed and added to the national debt $14,000,000 more than the entire cost of the war, and the financial situation was such that when the present Liberal administration—

Mr. SPENCE: Did you belong to the Liberal party then?

Mr. McMILLAN: If I am interrupted it will only mean five minutes to be added to my time. I was about to observe that when the present Liberal administration took office their first task was to bring order out of chaos. They were faced with the enormous annual expenditure of over $463,000,000 and they could reduce taxation only as their carefully considered and gradually diminishing expenditures would permit. Nevertheless their record is good. I am not going to go over it in detail, but I should like to have the privilege of placing the figures on Hansard so that every hon. member may have an opportunity to study them. As regards the increase in the national debt under the Conservative administration during the war, I have figures in tabulated form which, with your permission, Mr. Speaker, I will give to Hansard.

Mr. GARLAND (Bow River): Read them.

Mr. McMILLAN: Along with this I will show the result of five years of Liberal administration.

Some hon. MEMBERS: Read it.

Mr. SPENCE: Read it; that will take up your time.

Mr. McMILLAN: The statement shows that at the beginning of the Liberal regime, as at March 31, 1922, the total expenditure—

Mr. SPENCE: Mr. Speaker, I submit that the hon. gentleman ought to read the figures.

Some hon. MEMBERS: Order.

Mr. SPENCE: Let him read it.

Mr. McMILLAN: I say, the statement shows that there was a total annual expenditure for all purposes of $463,528,000. I am not going to go over the figures, but with your permission, Mr. Speaker, I will place them on Hansard.

Some hon. MEMBERS: No.

Mr. SPENCE: Read them.

Mr. McMILLAN: You do not want to see them in print; you do not want to have them placed on Hansard. At the end of five years, if you take as the basis the last year of the Conservative administration,—and it is not as high as it was previously—you will find that in that five year period, ending with March 31, 1927, there has been a saving of over $447,000,000, made up as follows:

		Reduction
March 31, 1923	$434,735,277	$ 28,793,112
March 31, 1924	370,589,247	92,939,142
March 31, 1925	351,169,803	112,358,586
March 31, 1926	355,445,308	108,083,081
March 31, 1927	358,555,751	104,972,638
Reduction in 5 years taking 1922 as basis..		$447,146,359

Mr. SPENCE: Have you got the money?

Mr. McMILLAN: Hon. gentlemen will find the details in the public accounts. Now what about the railway situation? We know that a very important question in the minds of the Canadian people at that time was this: Will the financial situation of the Canadian railways overwhelm the country or will the government be able to surmount it? During the last two years of the Conservative administration the receipts of the National railways failed to meet ordinary expenditure by over $46,000,000, but when the Liberal government assumed the reins of power they consolidated the National system, bringing it under a board of efficient management. With what result? At the end of two years—

An hon. MEMBER: Louder.

Mr. McMILLAN: You do not like to hear the facts stated. At the end of two years of Liberal administration, instead of a deficit, and a failure of receipts to meet ordinary expenditure, there was a surplus of over $23,000,000. In other words, as between the management of the previous administration and that which has been exercised under the present government, there is a difference in favour of the latter of over $69,000,000. That favourable showing has continued from year to year until, for the calendar year 1926, the revenue exceeded ordinary expenditure by over $48,225,000. For the last year we have not received the entire returns, but the gross receipts were more; and the only reason why there will not be an equally favourable showing is the fact that there have been a reduction in freight rates and an increase in wages of employees. Added to this, there is the circumstance that in the west conditions were such that grain could not be moved, up to the end of the calendar year, to the same degree as formerly.

Mr. SPENCE: Do you blame the government for that?

Some hon. MEMBERS: Order.

Mr. McMILLAN: As regards the national debt, what do we find? On March 31, 1927 the national debt, according to the public accounts, amounted to $2,422,000,000 odd. During the last two years of the Meighen administration, that is 1920-1922, they were compelled to increase the national debt by over $173,000,000. No reasonable individual would expect that in one year the Liberal administration would be able to balance the budget. They were compelled the first year, 1922-23, to borrow, and increase the national debt by $31,000,000. But since that time what do we find? I read from the public accounts that in 1924 the reduction in net debt was over $35,000,000, in 1925, $345,589; in 1926, $27,706,000, and in 1927, over $41,000,000, or a total reduction in the four years of $105,000,000, and during the first nine months of the present financial year, ending December 31, there has been a further reduction of some $55,000,000.

Now, Mr. Speaker, that is not the only thing which stands to the credit of this government. If my hon. friends opposite are not very well satisfied with these figures possibly they will be less satisfied before I get through. While, during the last few years, the record of the Conservative opposition was anything but commendable, this government has been making history. It took its stand and faced its difficulties in such a masterly way as to show that Liberalism has been doing things which will go down into history as constituting some of the brightest pages in all our political life. Despite its record of economy and efficiency and its substantial reductions in the customs

tariff, when, at the close of the election of 1925, the Liberal party found itself in the position of being unable to meet parliament with a clear majority of the house, did the Right Hon. Mackenzie King show any disposition to hog the spoils of office for the benefit of his political friends? Did he show any disposition to commit the government to any undesirable course of action? Not at all. During the whole of that emergency his action was such as to show that he was exceedingly anxious to preserve and uphold the best traditions of parliamentary government in this country. Having suffered personal defeat in his own riding he absolutely refused to open up any constituency or to make any public appointment in order to get a position for himself, as previous prime ministers had done, until such time as the representatives of the people should meet and decide for themselves who should lead and direct the affairs of government. Once they had done so, and had given a further mandate to the Liberals to carry on, he and his government proceeded to place before the House of Commons the most advanced program of legislation ever presented to parliament during any single session since confederation. So good was that program, and so much of it was able to receive the assent of parliament and of the crown before the explosion took place, that when the election did come, apart from the masterly way in which he was able to put the constitutional situation before the people, there is no doubt that the Robb low-tariff budget had more than anything else to do with turning the Liberal slump of the previous year into a splendid victory. Never in our history had any government redeemed itself in one short year. It was a triumph for legislation and good government. During all the previous session there was strong opposition to the Liberals, but the electorate having realized what real efficiency and tariff reduction did mean, swallowed it, went to the polls, and asked for more, and we have every indication that before the end of this parliamentary term they will not be disappointed in their expectations.

Now, sir, let us look just a little further into that situation. When, owing to the defection of a certain number of his supporters, the administraion of the Right Hon. Mackenzie King was unable to command the support of a majority of this house, did he haggle, or twist and turn, in order to hang on to the spoils of office? Not a moment. When it developed that he was unable to carry on with that dignity befitting a great parliamentary institution, that moment he asked the Governor General, as was his right, for an appeal to the people, to let them pronounce as to what should be the verdict. When that appeal was refused he resigned the premiership at once and handed over the seals of office. But when the shadow government began to act unconstitutionally, in trying to get control of the public business of this country and of the public funds, and wrongfully to advise the Governor General, the Right Hon. Mackenzie King assumed the role of a statesman, displayed all the qualities of an outstanding parliamentary leader—not only on the floor of parliament where he stood head and shoulders over every other member of the house but outside in the country at large. In parliament he compelled the members of that shadow government to sit like children at his feet. He gave them a good castigation, and compelled every one of them to admit that they had not taken the required oath of office, but that they were acting in a most unjustifiably unconstitutional manner. In the succeeding election, in the face of all the epithets and scandal hurled at the Prime Minister and his brilliant leading lieutenant, he was able to put the public issues before the country on such a high plane as not only to rivet the attention of the people but command their confidence and support. That attitude, apart from the Robb low-tariff budget, was what won the election, supported as the Liberal leader was by the great majority of the primary producers and general consumers of the country, men and women who do not importune cabinet ministers or the tariff board through deputations, not because they are not vitally interested but because according to the general nature of affairs they cannot afford to do that kind of thing. This must be done for them and the tariff board appointed by this government is busily engaged in performing that investigation in a most exhaustive and impartial manner which, I am satisfied, will have its beneficial effect in the very near future.

The Liberal policies of low tariff generally and reciprocal trade with our neighbours are the two great factors which will lead to a permanently successful agricultural industry and to the encouragement of shipping, industry and international trade. Canada can no longer continue to live within herself. We have become citizens of the world. Our international trade increase since 1913 has been nothing short of marvellous. With less than ten millions of people we now stand fifth among the great commercial nations, and we enjoy a per capita trade of almost double that of many other countries. Situated in such a pivotal position on the northern half

of this American continent, on the straight way between the orient and the British dominions of Australia and New Zealand on the one hand and the old world markets on the other, with two highly equipped lines of transcontinental railways and such a heritage of still largely undeveloped natural resources, our policy ought to be gradually to scale down all needless trade barriers and to go forward to meet the open competition of the world. We are now meeting that competition successfully, and if given the proper lead there is no reason why we cannot continue to fortify and improve our present favourable situation. As a great British economist has said, unless the United States and many other countries cease telling their people to "trade here" and "don't trade there," the world will sooner or later face an economic cataclysm from which no country can escape. To be thoroughly equipped against such an emergency, if we would realize and fully appreciate our great opportunities, it is our duty and in the highest interests of the Canadian people gradually to scale down all needless trade barriers and to "let Canada lead the way."

The election of the 14th September, 1926, settled once and for all the role which governors general must assume in this country; they must recognize that the will of the Canadian people is supreme and must respect, abide by, and carry out the will of the people as expressed in the advice given by the responsible prime minister of the day, who is and who ought to be the only official medium of communication and advice. Moreover, that role was confirmed during the deliberations of the recent Imperial conference where the people of Canada, through the medium of our two great Canadian leaders, led the way. That conference, representing all the dominions of the empire, unanimously agreed to define their position and mutual relation as autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, while united by common allegiance to the crown and freely associated as members of the British commonwealth of nations.

When my hon. friend the acting leader of the Conservative party, after that conference, undertook to throw cold water on its achievements and charged that it was with a feeling of disloyalty to the crown that Liberals ventured to assert our equal status with the motherland and the other dominions in their own spheres, he was effectively silenced by Premier Stanley Baldwin of Great Britain, who in Toronto on August 7, 1927, declared:

> I defy anyone to find two statesmen who pull together better for the good of the empire then Mr. Mackenzie King and myself.

That was a clincher; that was the last word. It was uttered by a great Conservative, the Prime Minister of Great Britain, and uttered in the heart of ultra-loyal, Tory Toronto. Surely such an expression emanating from such a source should give the quietus once and forever to that hollow disloyalty cry which we have so often heard in the past.

Just recently moreover along came Lieutenant Colonel, the Right Hon. Mr. Amery, British Secretary of State for the Dominions, preaching the same Mackenzie King doctrine. Listen to what he said:

> The war, he said, had placed the empire's nations on a new footing of equality, and this status had been completely accorded them at the last empire conference. While the conference marked a great constitutional development, it could not surprise any student of empire affairs. The conclusions of the conference were implicit in their very foundations of empire.

Again he said:

> The conference had laid down in the first place the complete equality of British nations—that none was subordinate to another.
>
> "Canada is no more subordinate to Britain than Britain is to Canada", he declared: "That principle was laid down for the whole empire with absolute unanimity. How shall we use this equality?"

Mark you, Mr. Speaker, these are all Conservatives, but they are the right kind of Conservatives; these are all big men.

Further, it is recognized that the official channel of communication is now between prime minister and prime minister, as representing the respective governments, rather than through the medium of the Governor General as in days gone by, and this is the only enduring way. British statesmen realize perfectly that the broad foundations of liberty and equality upon which the British Empire rests would be rent asunder if they interfered with the freedom of the dominions. They know that the people of the dominions are their own people. They know that liberty with them is a passion; that they and their forebears left the native heath of the old land to pursue the search after freedom, and that freedom and liberty is as dear to them as life itself. As matters now stand, the political foundation of the British Empire rests, as the government of Great Britain has always rested, upon no written constitution, and this great empire will no doubt press forward from strength to strength and clear away these quibbling legalities which we have heard so much about, and which will gradually disappear as the snow before the noonday sun. I am sure we are all pleased to know

that we have definitely settled the status upon which the dominions of the empire rest, and that our status is as it was first proclaimed, and afterwards maintained, by our great Canadian Liberal leaders. Canada has blazed the way for all the dominions from confederation downwards. It was the position which was first asserted and upheld by that great Canadian Sir Wilfrid Laurier, afterwards supported by Sir Robert Borden, and now at the recent conference carried to its full fruition under the guidance of Canada's two greatest Canadians, the Right Hon. W. L. Mackenzie King and his worthy colleague the Minister of Justice (Mr. Lapointe). This I consider as one of the great outstanding pages of Canadian history which will stand forever as a monument to the foresight and statesmanship as well as the honour of our great Canadian leaders.

I would like to voice my approval of the stand which this government took before the recent conference of the premiers of the provinces as expressed through the medium of the hon. Minister of Justice when he said that we should be allowed to amend our own constitution as circumstances and conditions warrant. The slogan announced by my hon. friend the member for South Wellington (Mr. Guthrie) a year ago, "Hands off the British North America Act," seems rather absurd when viewed in the light of recent history. What are the facts?

1. In 1871 the parliament of Great Britain passed another British North America Act permitting the parliament of Canada to establish new provinces, and making provision for their constitution, administration and the altering of their limits.

2. In 1875 the parliament of Great Britain passed an act repealing a section of the British North America Act and allowing the parliament of Canada to define the powers, privileges and immunities of the Senate and the House of Commons.

3. In 1886 the British parliament passed another British North America Act allowing the Canadian parliament to make provision for the representatives of the territories in the Senate and the House of Commons.

4. In 1907 the British parliament passed an act providing for payments to be made to the provinces.

5. In 1915 the British parliament altered the constitution of the Senate by increasing the number of senators from seventy-two to ninety-six to provide for representation of the western provinces in that body.

All these changes you will find cited in Kennedy's Documents of the Canadian Constitution. These are all amendments to the British North America Act which the British parliament passed as a matter of course at the request of the parliament of Canada, and I voice my approval of the words of the Minister of Justice when he proposed merely to dispense with a needless formality, to make the form correspond with the substance.

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

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, happily I think this debate is drawing to a close. The range of the discussion has been as wide and varied as the national interests have seemed to be to the hon. members taking part, and properly so. If I understand the theory aright which underlies the latitude permitted in this debate it is that when hon. members representative of all the different groups in the house have presented their views to parliament, the government of the day will be in a better position to draft and to promote the legislation of the session. With this understanding, I wish to make a few remarks before endorsing the vote of thanks proposed to His Excellency which is now before the house.

The speeches of the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) were such as to do them credit. The felicitations so generously extended by all members of the house who have spoken in this debate to the hon. leader of the opposition (Mr. Bennett) are not only well merited, but they have been listened to with great pleasure, coming as they do upon an occasion when it appears to be recognized as the proper thing to permit the higher human elements to rise above the clash of party strife and warfare. I gladly add my congratulations to those of hon. members who have preceded me, and in so doing I feel that it would not be out of place, nor would it be resented by any member of this house, were I to make a passing reference to his predecessor in his distinguished office, the Right Hon. Arthur Meighen. It is no doubt with mingled feelings, sir, that we recall his presence here. Some who so recently fought with him will recall his presence with pleasure. Those who fought against him may recall his presence with fear. But all of us will recall his presence with admiration and respect. In making mention of his services to our country both as Prime Minister during the darkest period of our history and subsequently as leader of His Majesty's loyal opposition, I but do honour to myself and indicate a sense of appreciation of a distinguished public servant which well becomes this house. I shall not now make any attempt

to place an estimate upon those services or even to make a summary of his efforts; suffice it to say that the high qualities which he brought to his exalted office and the singleness of purpose with which he devoted those qualities to the service of Canada, have earned for him an honoured place in our history. To his successor, who is equally gifted, I merely say that the country expects much from him, and I could not wish anything better for any man than that he be enabled to measure up to so great an opportunity for service.

Now, sir, I will address myself to the consideration of only one matter mentioned in the speech from the throne, the existence of which I notice has been denied by some hon. members who have taken part in the debate but which, on the other hand, has been vociferously re-established and re-asserted by those who have been speaking in support of the speech from the throne. I refer to the prosperity of our country. In accepting the popular meaning of that term, with certain mental reservations as to the extent and adequacy of the prosperity indicated, I have no intention of denying its presence. However, I regard the very mention of prosperity in the speech from the throne as being in the nature of an announcement, as though prosperity were not normally to be expected. If prosperity were a normal condition, as it might very well be, there would be no need for any announcement concerning it, but as things are prosperity is fittingly mentioned in the speech from the throne. To me, that amounts to the announcement of a welcome visitor, which comes to us at uncertain intervals, and I am very glad that the government have had notice of his arrival. I rise now not only to welcome that visitor with the government, but to insist that the government shall take at this session of parliament, and at subsequent sessions, steps which will compel that welcome visitor to become a permanent member of our family, if such be possible. In other words, I rise to urge a consideration which may lead to the stabilization of prosperity.

I am very glad to note that the government were too wise to claim that prosperity was coming to Canada through any particular act of theirs. I do not say this in any criticism of the government, I merely wish to indicate that if the government had claimed credit for the announced prosperity they would also have to take the blame for the unemployment and depressions which have characterized our Canadian industrial life for the last ten years, and they would also have to accept the responsibility for the depression and unemployment which will inevitably follow the prosperity which they have now announced.

This indicated prosperity brings us face to face with the chief problem of modern industrial life. Anyone who is at all observant must be convinced that industry and business move in fitful cycles of prosperity, alternating with dreaded cycles of depression. General reflection on this phenomenon has been crystallized into a few very definite opinions which vary, naturally, and which have been frequently expressed in this chamber. These different opinions have been brought forward in this chamber voluminously during periods of depression and to-day, Mr. Speaker, I wish to review some of these opinions because I anticipate that they will be repeated a few years hence when dealing with the next period of depression. Hon. members who voiced these convictions will probably recognize them, but I draw them to your attention now if for no other reason than to show just how far we are from analyzing in a scientific way the real problem before us, and how much further we are from finding a satisfactory solution thereof.

The first opinion which I wish to recall will be that of the Minister of Finance. I do not, of course, refer to the present Minister of Finance because he may not be in that position when these speeches are next made, but whoever may be the Minister of Finance at that time will take the attitude that neither his department, the financial institutions in general nor the government will accept any responsibility for the unemployment and depression which he will, of course, deplore. His attitude is not hard to picture; "Deus Vult" will be his helpless cry, he will reluctantly admit that unemployment is present, and out of the very sympathy of his human heart he will be sorry for the sufferers, but the only thing he will be able to do will be to give a very small pittance of charity and hope for the return of the tide of prosperity.

Then there is another opinion which we have heard expressed and which we will doubtless hear again, that is that unemployment is caused by men who absolutely refuse to work. No explanation will be given of the fact that these men charged with refusing to work were the men who did work the year before, when prosperity was at its height, and no explanation will be given of the fact that because of their very industry the shelves of the warehouses will be piled high with goods which cannot be removed and consumed thus carrying out the very aim of industry itself.

Another opinion will be that the depression which will then be prevalent was caused by something done or something left undone to the tariff, but that is such a well known ex-

cuse that I pass it by without further comment. It has been dinned into the ears of the people of Canada for the past sixty years, and we are all familiar with it.

Then another opinion will be expressed, which will be that the hungry, unemployed people of that period should do penance for their lack of thrift. It will be said that out of their income during the period of prosperity they should have saved a good deal of money, and should be able to live in luxury without doing anything at all.

There is still another opinion, sir, which we have not heard expressed so much in this house, perhaps, but which we have certainly heard in other places. I refer to the opinion that the conditions of our industrial life are directly due to the decadent capitalist system; that there is no cure for it; that it must be destroyed, and that revolutionary methods must be adopted for its destruction. With this latter opinion, sir, I have no particular sympathy; I think the capitalist system was evolved to produce goods, and in that aim it has not failed at all. I also believe that revolution is the last resort of the ignorant, so I am not particularly in favour of the last opinion to which I have referred. I would say this about it, however; the revolutionary, a product of industrial stupidities which we tolerate, hurls his challenge across the waste and chaos and inhumanity of the civilization which we endorse, forcing us to attempt to find an optimistic philosophy for the conditions of life. In other words, we are content with the dry as dust excrescences of an old outworn economic theory which belongs to what is known as the "dismal science." Happily for the future, however, these are not the only opinions. There are those to-day who believe—not as the result of any blind credulity, but by reason of an inevitable conclusion derived from a close scientific analysis of industrial phenomena—that the depression which we have so often deplored is preventable; and if that is so, then those in authority should be held responsible for its recurrence.

What are the facts on which this hopeful belief is based? What are the steps in the analysis that leads to this conclusion? Everyone knows that prosperity comes gradually and finally ends in a boom. The boom slumps and ends in a depression. When prosperity begins naturally everyone in his own interest does the very thing which is needed to bring more prosperity; that is to say, when prosperity begins the psychological element begins to work—manufacturers and other producers of goods increase their means of production, and the money spent in this way increases the consumers' purchasing power, and on goes the prosperity wave. And if bad times come a similar process is followed. In other words, the individual acts in the way described because he does not expect that the tendency which he has noticed, whether one of depression or of prosperity, can be stopped. He well knows that there is no agency to which he can look for any assistance.

Now, is there a way by which extreme depressions may be avoided? Is there a way by which prosperity may be made permanent? I will summarize briefly the essential factors which suggest the possibility of a stabilized prosperity. First, no one will deny that Canada is well equipped with natural resources, with plant facilities and with man power to increase production ad lib. No one will deny that much of the invested capital in Canada to-day is returning a poor profit, and in some cases is entirely lost, because it has been invested in manufacturing facilities the product of which cannot be purchased. The next thing to be noticed is that the people in Canada actually desire more goods. I refer to the statement of conditions as made by the hon. member for Southeast Grey (Miss Macphail) on Monday night. She pointed out that a very large percentage of the homes of our rural people could be very much improved, and that these rural people are very anxious to have them improved; that is, they desire more goods and higher standards of living. And undoubtedly it would be well for them if they could get more goods and higher standards of living. Why, in face of the capacity of manufacturing industry to produce plenty, and in the face of their desire for plenty, do they not have plenty?

Let me follow the steps of the reasoning in this regard. They do not have plenty because they do not create plenty; they do not create plenty because plenty cannot be sold. We are not in a position to buy any more than is being now created. More could not be sold if it were produced because consumers do not have sufficient income with which to buy more. The best proof of this is shown in the extensive selling on the instalment plan which has taken place in the last few years. It is estimated that during the past year three billion dollars worth of goods was sold or moved in the United States on the instalment plan. I am not advocating the instalment plan—do not forget that. I think the instalment plan is mathematically impossible, and that some day it must stop. I merely use this fact to indicate that if these people had had the money they would have bought the three billion dollars' worth of

goods in cash instead of on the instalment plan. It is merely a fact to indicate that if the people had more money they would buy more goods.

Since producers cannot produce any more goods than consumers can consume, and since consumers cannot consume any more goods than they can buy and pay for, it is surely our duty to inquire into the sources of their income. Where do consumers get their money? Well, I think anyone will be ready to answer that consumers generally get their money in the form of wages, dividends, interest, profit and so forth. But the point to be emphasized is that all such moneys come from industry; and industry, on the other hand, has no other source of receiving its money than from the consumer, while the consumer has no other source of receiving purchasing power but from industry. Thus there is a constant circuit flow of money from industry to the consumer, and from the consumer back again to industry. So that if industry does not receive enough money from the consumer to buy its output, then its output cannot be bought out. Similarly, if consumers do not receive sufficient money from industry to pay for the output, it cannot be paid for. If industry therefore paid back to consumers all the money which consumers have sent to industry, and if, on the other hand, consumers could buy goods with all the money they received as wages, dividends, interest, profits, and so forth, from industry, we would have a pretty steady circuit flow; we would be able to buy a fixed volume of goods at a certain level of price.

But these things do not run so smoothly as that. We are living under a profit system, and consequently the man who produces goods must sell them for a price higher than it cost him to produce them. Moreover, it is necessary for corporations and individuals to save, and money that is saved appears first in the production of more goods, so that there is a constant tendency to pile upon the shelf goods that represent a surplus, not above the capacity of consumers to consume, but above the possibility of consumers to pay for with the wages they receive in the process of production. The right flow of money would be that amount which would balance the goods flowing into the market, and it is the lack of an agency to regulate that right flow of money that accounts for the recurrent depression and unemployment against which I am speaking.

But let us ask now, why it is that an agency of this character has not been established, that is to say, an agency for the purpose of regulating the proper flow of money into the market. The reason is that orthodox economists, those who wrote their treatises prior to the modern development and prior to the modern problem, are the accepted authorities, regardless of the fact that their theories are contradicted by facts known to every business man capable of noting a fact. What is that obsolete theory to which those in authority give a blind allegiance? It is the assumption that no agency is required to regulate the flow of money, because, forsooth, John Stuart Mill and Adam Smith have assumed that if producers obtain sufficient money for production, then consumers automatically will obtain sufficient to buy out their production. I want to explode this theory of the orthodox economists.

I will ignite the explosive by asking this question: Why cannot the money expended in production enable the consumers to buy the output? What is the reason? I indicated it a few moments ago but I will discuss it more in detail now. Money expended in production cannot buy the output because, in the first place, we are living under what is known as the profit system. I am not speaking against the profit system—I am merely pointing out a fact: We are living under a profit system and that means that the producer must get more for the goods he sells than it costs him to produce them. No man will go into business on any other condition. No man will do anything that will not yield him something in return, whether it be in the form of material wealth or in the way of satisfaction of a psychological kind. But be that as it may, since the producer has to sell his goods for more than it costs him to produce them where will the extra money come from? The money paid out in production is the only money the consumers have to buy with. Consequently there must remain on the shelves of the warehouse a surplus which represents the difference between the amount of money distributed in the process of production and the selling price of the goods. But that is not the only difficulty. Corporations must save. They have to replenish plant and extend it when necessary and this compels them to put by some reserve. Individuals must also save. It is a very admirable characteristic, we are told, to save money, and I am not arguing against it; it is necessary. But every dollar that the individual saves helps to hasten depression. Money saved usually is turned back into further production. But, you say, the consumer's dollar is bound to be somewhere. Yes; but let me show you where it

usually is when we want it. Suppose it is in the bank: During the period of depression one thing that the bank finds it very difficult to do is to lend money to anyone, so that the consumer's dollar lies there out of the circuit flow and to that extent it is not functioning. The consumer is denied goods in consequence.

Some hon. members in this house may call me a theorist and on that assumption will disregard my plea. Meanwhile hon. gentlemen are giving their tacit endorsement to a theory which underlies our whole industrial system and to which are chargeable the most spectacular failures of that system; a theory which is proven to be false by every fact relevant to the subject. In further pursuance of my theme, I anticipate a question which some thoughtful member may possibly have in mind at this point. That question is this: What is the cause of a period of prosperity, since I have indicated that there is never enough money under the ordinary industrial system in the hands of consumers to buy out production? My answer is that prosperity invariably comes during periods of capital expenditure. This capital expenditure causes prosperity because the money expended in capital facilities immediately finds its place in the market for goods. And this increases the purchasing power of the consumer for the reason that, as yet, no goods have come from the facilities in question to balance the amount of money expended, as I have indicated. In this way capital expenditure always helps purchasing power. Let me illustrate this point. Suppose we have in this city a large boot and shoe factory and a period of depression is gradually closing in upon us. The shelves are being crowded with goods which cannot be sold. When the depression is beginning to settle on the factory, when they are paying off their hands, let us assume that the construction of a huge two million dollar plant—say for hydro electric purposes—is undertaken. Immediately construction work begins money is paid out in wages and so forth. But that plant so far has produced no goods to go on the market, it is distributing $2,000,000 of money which is available for the purchase of some of the boots which have been lying on the shelves of the boot and shoe factory which I have supposed. I might cite many instances, such as for example the marked development of the automobile business in the United States. That was a new industry a few short years ago whereas to-day it is chief in volume of production among the industries of the United States. The automobile industry on the other side produced

last year seven-eighths of the world's output, and in cars and car supplies there was spent in that country six billion dollars. United States prosperity in the last ten years, as compared with the poverty or lack of prosperity in other countries, has been due in large part to this expenditure in automobiles, but this has been so only because the automobile industry has been a growing one. A stabilized industry will not increase the purchasing power of the people because it does not enlarge plant equipment to the same extent as a new industry.

All periods of prosperity are caused by capital expenditure in the manner I have set forth. But just as soon as the goods begin to flow to the market from the new capital facilities, depression sets in and continues until conditions warrant the repeating of the process. In other words, we are prosperous when all the money expended on future production, together with all expended on current production, enables us to buy all the goods available. The position may be made even more clear when I say that in order to be able to buy the output of capital facilities now in use we must build new ones, and in order to buy the output of the new ones we must build still more new ones. When we stop this process disaster immediately overtakes us.

There can be only one solution to this problem, no matter how brought about, and that is our people must in some way be enabled to buy and pay for as much as they can produce of consumers' goods or the full equivalent in the product of other countries. That is to say: There must be sufficient money in the hands of consumers, together with our imports, to balance our industrial output. Someone will ask, why can we not ship our surplus to foreign countries? We can; but if you have not enough money to buy the surplus which you have at home you have not enough with which to buy the imports which, in the proper course of business, should be exchanged for exports. No country is unwise enough to ship goods out without having an equivalent in imports, and what is the use of getting imports without having money with which to pay for them.

I propose now to devote the remaining portion of my remarks to making a few suggestions with a view to the stabilization of the prosperity which is now beginning to make itself felt throughout the country,—suggestions which I shall direct not only to the government but to parliament. I may be mistaken in my estimation of the power of parliament. But at present I regard parliament as being greater in authority than

any government, even allowing for the blighting influences of the party system upon it. There are on the order paper resolutions proposing the nationalization of banks and the establishment of a federal reserve system. At the moment I am not interested in these particularly but I refer to the federal reserve system by way of illustration. The chief contribution of the federal reserve banks in the United States has been to stabilize the money market. I will not describe the process by which this is accomplished. We need such an institution in Canada, but that alone would not solve our difficulty. We require an agency of some sort which will do for industry and business that which the federal reserve system has done for money,—to regulate the flow of money to balance with production, so that there shall be neither too much nor too little in circulation at one time. In finding a remedy for the present state of affairs in this regard, the first step is to discover something which at present nobody knows, and yet to discover which is well within the range of human intelligence. That something which no one knows but which might be found out is this: How much money do the consumers require to enable them to buy the current output? And how much of that amount is now furnished by the producers of goods in the form of payment for services? I propose, Mr. Speaker, that we set up a federal board which shall collect from every available source: (1) Such information and such data as are required to indicate the correct amount of the consumer's income; (2) With such information in their possession the board would next advise the government how its fiscal policy should be guided in respect to such information; (3) The board shall also determine the exact time at which public expenditures undertaken by the government shall be launched, the manner of its financing, and the extent to which it shall be put within a given time. In times of prosperity the government could shorten up its public works program, while it would extend that program in order to stem a tendency towards depression. In this way the control of money in proper relation to production would be possible. I should like to explain this more fully, but time will not permit.

There is talk, sir, of a great waterway that may cost $400,000,000. I can imagine that the government in the near future may authorize the launching of that scheme without thought of its direct effect upon the industrial life of the country. But surely the letting loose of $400,000,000, without a balancing of goods in the market, ought to receive some consideration by any government. I suggest, sir, that this government should organize such a board as I have indicated which board both by its own acts, and by the data which it will be in a position to furnish, will be enabled to give leadership to business in general. The very fact that business men would know that the matter was in control, that depression was not going to descend upon them, would encourage them to carry on, and thus prosperity would be doubly certain. I would characterize the proposal submitted in the words of Foster and Catchings—the economists of the Pollak foundation, who in their latest book, The Road to Plenty, say in respect to it:

> This is a solution of the problem which is radical in that it goes to the bottom of the difficulty; a solution which is revolutionary in that it involves the overthrow of accepted ideas and the adoption of an entirely new controlling purpose. At the same time the solution must be conservative in that it leaves unchanged all those established institutions which are generally regarded as essential; a solution which is commonplace in that it requires us to do little more than we are already doing.

I conclude by saying to this government and this parliament that if nothing radical and constructive is done the prosperity now heralded will depart in haste before the certain avenger depression. To do nothing is equivalent to making a decision to continue to have our periodic depressions with all their accompaniment of human suffering.

Mr. A. M. YOUNG (Saskatoon): After the very learned discussion we have had on economic matters I am not able as yet to determine what the effect will be on the price of wheat, but I do hope the effect will be good. The hon. member (Mr. Irvine) said he was not a theorist. I hope after I have had time to study his speech I shall find that he was quite correct in that statement.

I desire at the beginning to congratulate the mover and the seconder of the address in reply to the speech from the throne. I listened with very great pleasure indeed to the speech of the mover, the hon. member for Hants-Kings (Mr. Ilsley). He is a distinguished graduate of the university of Dalhousie, a distinguished son of Nova Scotia, and a most worthy representative of the constituency. I was very much pleased indeed to note the spirit of optimism in the speech which he made. I should like to apply my remarks equally to the hon. member for Provencher (Mr. Beaubien) who seconded the address. In this great Canada of ours where two great races dwell, personally I am pleased indeed that this particular hon. member was chosen for the task of seconding the address.

I should like also to offer my congratulations to the Conservative party in that they were guided by the practice of the Liberal party in deciding to hold a national convention, which took place in Winnipeg not very long ago. It was very interesting to some of us to note the resolutions passed there, and we feel quite sure that the very atmosphere of the place tempered the spirit of some of those resolutions. I may add that we were exceedingly disappointed at the fact that no sooner had the convention closed than many eastern newspapers published directions to the new leader to the effect that they hoped he would not be guided by the resolutions passed there. Those of us on the outside of that convention had the idea that one of its purposes was to select a leader for the Conservative party, but apparently such was not the case. It now appears that the great Conservative party met in national convention for the purpose of selecting a leader of the opposition. I hold in my hand a clipping from the Dalhousie Gazette of November 17th, and I should like to quote what it says in that regard. First of all I may say that the hon. leader, after his election, received many telegrams of congratulation, and among them was one from the president of the students' council of Dalhousie university, of which my hon. friend is a very honoured graduate, and of which I also have the honour to be an alumnus. This telegram of congratulation was published in the Dalhousie Gazette, and to it the leader of the opposition replied as follows:

Dear Mr. GODSOE,

I have not had an opportunity until today to thank you for the very kind message which you sent to me on behalf of the council of the students on the occasion of my election as leader of the opposition in the House of Commons.

As you will note, this is a written statement, and therefore more likely to be exact. I do not wish to be too technical but the hon. gentleman himself makes much of a few legal technicalities with respect to our present national status, and indeed in all the speeches which I have heard him deliver in this house in the past two or three years he has been most critical of technicalities. I feel confident that he will not object to my observations at this time.

Mr. BENNETT: I desire to point out that it is a statutory office. There is a description of it in the statutes.

Mr. YOUNG (Saskatoon): I will come to that a little later.

Mr. BENNETT: You will never come to it.

[Mr. A. M. Young.]

Mr. YOUNG (Saskatoon): I have the fullest confidence that my hon. friend will not object to my observations at the present time.

I understand the statutory nature of the position of leader of the opposition in this house. It is true that with the house constituted as it is at present, the leader of the Conservative party becomes ipso facto the leader of the opposition, but according to the statement of the hon. gentleman himself he was elected not as leader of the Conservative party but as leader of the opposition.

Mr. HOCKEN: That is very fine hair splitting.

Mr. YOUNG (Saskatoon): I remember a great and historic people who occupied a position somewhat parallel to that of the Conservative party in this country. They required a leader, so did the Conservative party. They were in the wilderness, so was the Conservative party. This great people chose as their leader a gentleman by the name of Moses, and he was a great leader. In Christian charity, with which Liberals are so richly endowed, let me add that we are most happy in our hope that the hon. gentleman from West Calgary will have a long apprenticeship in the position to which he says he has been called, so that he may attain to that sphere of greatness which history accords to that other leader of whom I have just spoken. Should the Conservative party, by some political misfortune, some day come into power, the hon. leader of the opposition will find himself in the same predicament as Moses, who was permitted to see the promised land but not to enter therein.

Mr. HOCKEN: May I point out to the hon. gentleman that Moses sinned? That is why he was not allowed to enter the promised land.

Mr. YOUNG (Saskatoon): I should not like to say how many sins the hon. gentleman who has just spoken has committed. According to the hon. gentleman's mature and considered statement in the letter from which I have just quoted he would not be permitted to cross over with his party, for they had elected him to that position, which only those in the wilderness can occupy. The record goes on to say that Moses, when he was old, after being permitted to see the promised land, died in the wilderness. The rest of the parallel is left to one's imagination, except to add that the Conservative party must find the Joshua who at this moment is unknown, and perhaps as yet unborn.

Let me add this: To the leader of the opposition, a distinguished son of a splendid province, a graduate of no mean university, I offer my sincere congratulations. He has wonderful mental capacity; his talents are well trained; he is well skilled in the law and he has a wide knowledge of political affairs. May I sincerely and honestly predict for him that he will have a very successful career in the position to which he has been chosen? I want to add one thing further. After the leader of the opposition was chosen he made many speeches in western Canada. I read those with pleasure and I was sorry that I did not happen to be in my city the day he was visiting there, but I had an opportunity of hearing him at Regina the next night. In the west he delivered speeches filled with a lofty idealism and a sound note of Canadian patriotism, and I want to compliment him sincerely on the high note which he sounded in those western provinces. Perhaps there might be just a tinge of regret at one section where I saw great tears in his eyes, and I might be pardoned for thinking of the rich young ruler when he suggested the great heart-wrench it was when he was leaving those big interests with which he had been associated for such a long time. Apart from that little thing I desire to compliment him on the lofty tone which he sounded out in the west. One thing which struck me as being very pleasing was that he said that Canada was prosperous.

I wish also to congratulate the Prime Minister (Mr. Mackenzie King) on the excellent and admirable address which he delivered the other day in this chamber. It was one of his best efforts and one which will go down to history as showing the present position of this country. The Liberal party has a leader of which it may well be proud and Canada has a prime minister in whom it may have great pride and satisfaction. It was a treat to the house to listen to those lofty utterances setting forth facts which, I am sure, it is good for this country to know.

To come to the question of the speech from the throne, I understand some of my hon. friends opposite are not very well satisfied with the speech. The first paragraph states:

> It affords me much pleasure to meet you at the commencement of another session of parliament and to be able to congratulate you upon the marked prosperity of the country.

Then it goes on to speak about the volume of trade and many other things, but I propose to let that stand for the moment. Mention is next made of the celebration of the sixtieth anniversary of confederation, but even this does not seem to suit our hon. friends opposite. We on this side of the house had hoped that they would at least rejoice in that great event, but apparently they did not do so. The speech goes on to refer to the visit of the Prince of Wales, Prince George and the Prime Minister of Great Britain, and in my judgment this visit and the occasion of the celebration of the sixtieth anniversary of confederation last summer were effective in making Canada better and more favourably known throughout the world, and should have aroused the patriotism and pride of every Canadian. To me at least that reference in the speech from the throne is an excellent one.

The next reference is to Canada's seat on the League of Nations. May I ask hon. members opposite if they do not think that is something worthy of recognition and note? I personally consider it a very distinct compliment to this great country, and may I hope that, situated as we are in the northern half of this North American continent, where peace has reigned for the last one hundred years and more, our representation in that league will be of great effect in the interest of peace, not only on this continent but throughout the whole world.

The speech from the throne goes on to refer to the proposal to have ministers to Japan and France. I was much surprised to hear the caustic criticism which came from different hon. members on the other side of the house in regard to this matter. Last year when we were considering the question of opening up an embassy at Washington, very severe criticism was raised. Why are hon. members not criticizing that to-day? We hear very little, if any, criticism of it at all. That was, of course, an experiment, but it is one which now they know they dare not criticize because the people are convinced that it was a wise step in the right direction. I had hoped that this proposal to send ministers to foreign countries would at least be one of the things in which members in all parts of the house, representing all parties, might be unanimous, and it would be very much better for this country had some hon. members considered this matter more carefully before entering into the criticism we heard here. I believe our representatives to France and Japan will prove equally as capable and important as our representative to the United States has proven.

As regards the Dominion-provincial conference, will any hon. member say that that conference has not done a great deal, and will not do still more in the interests not only of the Dominion as a whole, but of the several provinces? It is another matter of which we should be proud.

The speech from the throne also refers to the Hudson Bay railway. Perhaps the completion of this railway is not a matter of much interest to some hon. members opposite. It was for a long time our impression in western Canada that some hon. gentlemen opposite were not very enthusiastic in regard to the project; in fact it has been so stated on the public platform and in the press. Let me congratulate the Minister of Railways (Mr. Dunning) on the way in which he handled this project from the time he became Minister of Railways. I believe this railway will be a great scuccess and will open up a part of our country which may prove the richest part of the whole of western Canada. Those of us who live in that part of the country do not lightly regard that paragraph in the speech from the throne, and even if hon. gentlemen opposite have seen fit to belittle the speech from the throne, we on this side of the house believe the Hudson Bay railway is a work of great importance, a work which will be in the interest not only of western Canada but of Canada as a whole.

I should like to make a short reference to the speech which the hon. member for Bow River (Mr. Garland) delivered in this house a few days ago. I desire to congratulate him on his address; generally speaking I think it was well delivered and well thought out. I have no doubt whatever that from his point of view it might be reasonably effective, but I should like to say to the hon. member that on some points our ideas are slightly different from his. In his very great modesty he pointed to some of the things which have been done in the last two or three years and he took much credit to himself in regard to them. He pointed out two or three other members in his group to whom he also gave credit, and he would leave the house and the country to infer that the responsibility for all this good legislation we have was attributable to him and his associates. In so far as they may have contributed something, I always welcome that kind of action in this chamber, but from his address I almost came to the conclusion that the Liberal party and the Conservative party on the other side are practically wasting their time in being here; that had we left everything to just a few members in that corner of the house, it would have been done more expeditiously and possibly just a little better.

Miss MACPHAIL: Hear, hear.

Mr. YOUNG (Saskatoon): The hon. member who has just said "hear, hear" apparently agrees with the idea that two or three can run the country, but some of us think otherwise. The hon. member for Bow River made reference to the transportation of Alberta coal to Ontario. If this can be accomplished in a fair and proper manner, I am entirely and absolutely behind the scheme; I want there to be no mistake about that. But let us consider the situation which confronts us at the present time. The matter was referred to the board of railway commissioners to find out the various costs of transporting coal, the out of pocket cost, the inclusive cost, and the cost plus profit. We have an official report from that body.

Perhaps I should pause to say that I hate to criticize any official body, but I have had some little experience with the board of railway commissioners, as nearly all of us have had, particularly those of us who come from western Canada and were interested in the removal of the discrimination on the rates on grain eastbound and westbound. Now there was in 1925 legislation passed by this house which said specifically that if discrimination existed, that discrimination should be removed. The matter was referred to the board of railway commissioners, and if they found that any discrimination existed, that discrimination was to be removed forthwith, and forthwith means at once. What happened? In western Canada we found that they dilly-dallied over the question for months and months, even years, so that two crops of grain had to be moved at rates that were a very great discrimination against the farmers of northern Alberta, of northern Manitoba, and of northern Saskatchewan particularly. Consequently I am not so very much enamoured of this board of railway commissioners, and I am going to say this, that any board or any individual who will deliberately set at naught the will of parliament and the will of the people of this country should be removed from office, I care not what board or what individual it is. I am not, therefore, speaking now with any too great satisfaction in the finding of the railway board on the coal rate, but I want to say that up to the present time this board is still an independent board created by parliament to investigate this very matter, and so long as they remain that board I think we must accept their official finding.

What was that official finding? It was that the railways can move that coal from Alberta to Ontario at an out of pocket cost of $7.22. The hon. member for Bow River questions that figure. It is possible that the figure is not correct; I am not an expert on this question, but I do say this, Mr. Speaker, that for this house to adopt the principle of a statutory

rate on coal, or on any other commodity, which is less than the official finding made by an independent official body, would be going too far.

Mr. McGIBBON: Would the hon. gentleman apply the same principle to coal as to wheat, which is now being moved at a loss?

Mr. YOUNG (Saskatoon): I would apply the same thing to coal as to wheat, but I would like to contradict the impression my hon. friend would give the house, that wheat is being moved at a loss.

Mr. McGIBBON: That is the verdict of your own department.

Mr. YOUNG (Saskatoon): It might take me forty minutes to convince the hon. gentleman, so I shall not take the time now.

I was saying that in face of the official finding of that board, I do not think parliament would be justified in making a statutory rate lower than the rate named in that schedule. Suppose, for instance, that any person feels that the board did not go sufficiently into the matter, what is the obvious course? It is a further reference back to the board, or to some other body. But I repeat, I would not like to see any statutory rate enacted by parliament that would go in the face of an official finding such as we have before us at the present time.

I was a little bit surprised that some hon. gentlemen opposite who are so fond of talking protection did not have another solution for this problem; I was surprised that they did not advocate raising the tariff from three to five dollars a ton to keep out American coal. Then our Tory friends in Toronto would necessarily have to buy their coal in Canada; the railways would be able to get a proper rate for carrying the coal, and the transportation cost would have to come out of their own pockets. I am surprised that that argument was not advanced. But no, the suggestion was not this, either from Alberta or from Ontario. That would not suit us they said. What they wish to do is to have a statutory rate which will be less than the out of pocket cost, and the citizens of the rest of Canada must make up the deficit. Our friends opposite have a funny way of invoking the aid of protection and the tariff when it suits them, and of adopting the very opposite principle if their pockets are going to be hit.

We must all recognize the fact, Mr. Speaker, that we in western Canada must bear the additional cost of that undue and unjust protection which they ask for on their manufactured commodities.

Mr. HOCKEN: No chance!

An hon. MEMBER: Bunk!

Mr. YOUNG (Saskatoon): The hon. gentleman who has just spoken is, I believe, the editor of the Orange Sentinel and knows more about that commodity than I do. I will leave it right there when he says it is bunk.

Mr. HOCKEN: How clever!

Mr. YOUNG (Saskatoon): Not clever, but just a fact.

I want to say one word about prosperity. We all remember the two or three elections we have had in the last few years, and what was the whole cry by the Tories from one end of the country to the other during those election campaigns? It was that Canada was going to ruin under the Liberal rule. We had that cry when the tariff was reduced on agricultural implements. They said then: If you touch the tariff on agricultural implements, the agricultural implement industry will go out of business. But what have we found? We have lived a sufficient length of time since then to know that that argument can never be used in this country again. The agricultural implement manufacturers were never so prosperous as now. We heard the same cry when the duties on automobiles were reduced. We were asked to have pity on those poor unfortunate automobile manufacturers, those men who started on a shoestring and developed a business that ran into millions. We all remember how our friends opposite were so solicitous about these poor manufacturers. We remember how that delegation came down from Oshawa and settled on the lawn in front of this building, carrying flags and banners telling us that their homes would be closed down, to say nothing of their factories. But what did we find? We find that there are more automobiles in Canada to-day than ever, and also that the automobile manufacturers are more prosperous than they ever were before.

There is another thing. The Right Hon. Arthur Meighen when he was leader of the opposition—and I must say that I quite agree with many of the things said about him by the hon. member for Wetaskiwin (Mr. Irvine), in this chamber this afternoon—made the statement: If I can be shown that by putting on an extra duty the price of an article is going to be raised, I would not be in favour of putting it on. Well, we all know what happened in connection with the automobile industry. The tariff was reduced, and are we paying the same prices for automobiles as we did before the tariff was reduced? Every-

one in this country knows that the price of automobiles has gone down, and gone down markedly.

Mr. KAISER: Because of the tariff?

Mr. YOUNG (Saskatoon): The very gentleman who is now interrupting me, when it was proposed to reduce the automobile duties, came to me with tears in his eyes and tugged at my coat tails pleading with me to try and get my friends to have pity on these poor manufacturers. Oshawa will be closed down, he said, if you put these new duties into effect. Well, every time I meet him now in the corridors I ask him, "Is Oshawa still on the map?" and he replies, "You cannot hurt Oshawa." Let me tell you, Mr. Speaker, that the only way in which Oshawa could be hurt would be to let some of his friends get into power and put a higher tariff on automobiles.

Coming to the question of unemployment, there is a little unemployment throughout Canada. There is in my own city, and I have no doubt there is in this city. The hon. leader of the opposition took his cue on unemployment from the fact that he saw a few men sitting on snow wagons clearing the streets for us to get through here. Let me say this, as one having had experience with regard to unemployment: There is less unemployment to-day than we have had for years and years, and no man can deny that. I know very well that in the city in which I live, under Conservative rule, we had the lines of unemployed waiting for their turn at the soup kitchens, but we were not shouting about it even then. We do not believe it is good Canadianism to bring it up to-day, when there are a few unemployed as there always will be in a country with such seasonal employment as we have in Canada.

Mr. McGIBBON: They have all gone to the United States now.

Mr. YOUNG (Saskatoon): My hon. friend is not thinking of leaving, is he? I want to say that Canada is prosperous, and the people are no longer fooled with remarks such as those. Compare this country with some of the European countries and then talk about it. Ours is a land flowing with milk and honey. Only the other day I was speaking to a gentleman who has been in the central European countries for two years; he came into my own home to discuss the whole question of prosperity in Canada as compared with European countries, because it is only by comparison that we can get a fair idea of what is taking place. When we compare this country of ours with any other country under the sun we are bound to say that we are proud of the country in which we live, in spite of some of the grumble-peddlers we have even in this chamber.

I would like to say a word now to my hon. friends from the maritime provinces. I am a native son of Nova Scotia and am proud of it. Almost a quarter of a century ago I left Nova Scotia for the west, but I return year after year and I am proud and glad to go back to those little provinces by the sea, because there is a charm about them which even that western atmosphere of optimism does not take away at all. Last year, Mr. Speaker, when we had the great question of maritime rights before this house, what did we do on this side of the chamber? Did we try to throw cold water on the proposition which was placed before us? No; we were sympathetic, and we assisted in doing what we felt was only right when we passed the legislation implementing the report of the Duncan commission; we felt that it was in the interests of the maritime provinces. But what did we hear this year? Did we hear thanks from hon. members opposite? Let me say that those of us who sit on this side of the house were bitterly disappointed and hurt; those of us who tried to assist every member from the maritime provinces sitting opposite to get those bills through last year felt hurt at the criticism which we have heard during this debate. The government of this country went far to implement all the recommendations of that report. Sometimes I go back to Nova Scotia, where I always enjoy a visit, and talk a good deal to some of my Liberal friends down there. I do not suppose it will be of interest to the house to know what we talk about, but I have a lot of Tory friends in Nova Scotia as well.

An hon. MEMBER: Conservatives.

Mr. YOUNG (Saskatoon): Yes, Conservatives, if you will; it all means the same thing down there. I have talked to a large number of these Tories, and I can say that I would rather listen to the sentiments expressed by them and expressed in this chamber during this debate by the Postmaster General (Mr. Veniot), the mover of the address and, the hon. member for Queens (Mr. Sinclair) and I would rather believe those to be the real sentiments of Nova Scotians, than what we have been hearing from the other side of the house. I have talked to a large number of these Tories, or Conservatives if you will, since this house rose last year, and what did they say to me?

They said, "We did send up a lot of members to the House of Commons, but we are sick and tired of hearing those members continually grumbling. We can say to you that that is no part of the sentiment of the people of the maritimes with regard to these matters." But we come back to another session this year and find the same amount of grumbling, as though nothing had been done in line with the report of the Duncan commission. Those Tories to whom I spoke in Nova Scotia went even a step further, and if it is any comfort to the members of the Conservative party I will tell them what they said: "While we supported them last year, we now feel very differently in the matter." They said to me, "When the Prime Minister was here he promised us a commission and said he would implement the findings of that commission whatever they might be, and added, the government of Canada went very much further in implementing that report than we had even hoped for. We felt that the Prime Minister was making the same political promises we used to hear in the maritime provinces, but we now see that he is a man of his word; up to the present he has done everything he said he would do and even more, and hereafter we are going to put our faith and confidence in the government which gave us what we asked for rather than in those men who did nothing but grumble about what we wanted."

I would like to touch for one moment on some of the remarks made by the hon. member for Queens-Lunenburg (Mr. Ernst). He spoke about old age pensions. We in western Canada who spoke from public platforms during the last election said we did not believe that the Tory party in Canada were favourable to old age pensions, and now what do we find? British Columbia has passed legislation implementing the federal act: Manitoba and Saskatchewan have done the same thing, and they certainly have not Tory governments. We find that apparently Nova Scotia does not intend to take advantage of this legislation, and Ontario has already spoken through its premier. Those provinces both have Conservative governments. We find that when we come to social legislation in the interests of the masses of the people, we have to trust to the Liberal party or we will never get it.

Mr. hon. friend from Queens-Lunenburg said that in his province more than fifty per cent of the people over seventy years of age were indigent. I know the province of Nova Scotia personally, and I do not believe for one moment that more than fifty per cent of the people over seventy years of age there are indigent; as an old Nova Scotian I resent any such statement being made in this house. Even if there were a few people in my province who were poor, I would not like the word to go about that more than half the old people were paupers. I ask any man if it is good Canadianism to broadcast a statement of that kind to the world. Why not recognize and realize the fact that if Canada is to be made great statements of that kind will never do.

Now just a word or two about immigration, because I am afraid my time is almost up. I would like to say that this matter of immigration is so vital and so important that our forty minute rule was condemned when the Minister of Immigration (Mr. Forke) was cut off in the middle of his speech. For one, I would have liked to hear him continue, because I never like to make two bites of a cherry. He may have an opportunity to renew the subject later, but I believe this house and this country wanted a full statement from him with regard to immigration matters. Let me say at the outset that I would like to see all the immigrants we can assimilate, all who are healthy and willing to work, brought to this country from Great Britain, but I do not want to stop there. In our western provinces we have the finest example to be found in any country in the world; we have some of the best settlers this country has ever had, people who came from some of the European countries. The hon. member for Yorkton (Mr. McPhee), who gave a very admirable address in this house a short time ago, gave the names of some of those in his constituency who during the sixtieth anniversary of confederation this summer gave some of the most patriotic addresses, and were awarded first prize for their efforts. Just a few days before coming back to Ottawa we had a banquet of the agricultural societies, at which approximately 300 or 400 people were present, and at this banquet awards were presented for the judging contests held at recent fairs in Saskatoon. In one instance we found that a young Russian Mennonite whose name for the moment I have forgotten and who has been only three years in this country, carried off the highest award for judging at that particular contest. If you go to the university of Saskatchewan, which happens to be located in my home city, you will find on the attendance lists names which some of us could not pronounce, not at the bottom of the list but at the heads of their classes, and you could not have finer Canadian citizens. Let us have all the British immigrants we can get, as quickly as we can assimilate them, but I hope that some gentlemen throughout this country will cease this con-

tinual propaganda against the men and women who come from other countries, but who are making citizens of whom we are proud. Let me go further; if you want a fine virile race in this country; if you want to be a great, patriotic people, criticisms of that character certainly hinder a great deal more than they help. Oh, I have heard recently of some instances of racial and religious prejudices not only in my own province but over the whole Dominion. I hope that that kind of thing will be eliminated from this great Dominion which we are now building.

I was very much surprised indeed, Mr. Speaker, to hear the hon. leader of the opposition (Mr. Bennett) a few days ago say:

> Within the last three hours I had a cable from a friend of mine in London who is tremendously interested in this question,—
>
> The medical examination of immigrants in the old country.
>
> —saying that the regulations now in existence are preventing people from coming to Canada. He said also that the new medical regulations were absurd, to give his exact words. I am not going to pass judgment upon them myself; I was very careful to tell the house that this was a cable from a friend vitally interested in these matters, not in any sense from a political point of view at all.

Of course. I submit, Mr. Speaker, that the hon. gentleman having had that telegram only three hours previously he should not from his seat in this house proclaim to the world that the new medical regulations are absurd without first investigating every last thing that could be investigated to ascertain whether the medical examination of immigrants overseas is being properly or improperly carried out. True, he was careful to say that he did not do such and such. Then, as they say in the record of the two black crows: Well, why bring this matter up now? I claim that propaganda of this kind does much to discourage immigration. I have for years advocated, and I still advocate a full medical inspection of immigrants on the other side. I listened this afternoon to the pathetic case which the hon. member for Halifax (Mr. Quinn) brought to our notice—and even with all its pathos I must congratulate him that he had in his pocket a little bit of candy for the kid—but I am sincerely of opinion that these examinations should take place on the other side and that they should be thorough. If on the way over something serious develops which was not apparent at the time of examination, that should be brought to the attention of the immigration authorities here, and if any immigrants give misinformation to our officials I have very little sympathy for them. I have had a good many cases brought to my attention, some of them almost as bad as that cited by my hon. friend this afternoon, but I always found after careful investigation that one of the facts which I discovered had never been told before, and this one fact governed the whole case. We must have the entire facts in front of us before we can pass judgment on these cases.

Immigration is a very important question, and medical inspection of immgrants is a very important question; then let us be fair in our criticism of the department. Sometimes unfortunately too many people, not excepting hon. members, accept a little hearsay evidence and then place it before the public. If I may digress for a moment, I was very much surprised at a telegram read by my hon. friend from Cumberland (Mr. Smith). I took out a clipping from my own paper, the Saskatoon Star, headed—

Mr. SPEAKER: The hon. member's time is up.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. J. W. EDWARDS (Frontenac-Addington): In offering my congratulations to the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address, I do so not as a formal act of courtesy but rather as a tribute to the courage displayed by these gentlemen in tackling the job without any basis on which to make a speech. The speech from the throne adds one more precedent to a government which has become famous for its precedents. It contains absolutely nothing. His Excellency the Governor General might just as well have handed to you, Mr. Speaker, a blank roll of paper tied with royal blue, and a suitable address in reply would have been a snapshot of the Prime Minister (Mr. Mackenzie King), arrayed in his Windsor uniform, with decorations up to date, and with the Latin motto underneath: "Ex nihilo nihil fit"—"Out of nothing nothing comes."

In the zigzag course pursued by them since 1921, the government have performed some very strange acts. In the session of 1926 the bill of fare was a veritable political chop suey, composed of carefully selected titbits, well soaked in oil in order that they might be easily swallowed. It was swallowed with the result, as you know, that there was an epidemic of political indigestion ending in

the dissolution of parliament. In the session of 1927 they instructed the cook to leave out the oil, the result in that case being that everything was dry and indigestible; and the government, choking on its own food, had to call in the medical experts of the supreme court and later consult the specialists of the privy council.

The hon. member for Bow River (Mr. Garland) was, I thought, unduly harsh, not so much perhaps in the words he used as in what they implied, in his references to the seconder of the address. In that great book which contains the titled people of the Dominion of Canada, the Parliamentary Guide, the hon. member for Bow River refers to himself, in the write-up which he has furnished, as a man of no politics whatever—"politics none." The hon. gentleman who seconded the address (Mr. Beaubien) calls himself a National Progressive. Well, I rather think that inasmuch as he apparently has a title, has some politics, as the designation quoted would indicate—and it is indicated in a vague way I am bound to admit—while the hon. member for Bow River has no politics, the seconder of the address evidently is going somewhere under some lead. The hon. member for Bow River, on the other hand, seems to be basking in his own smiles and learning at the feet of his own philosophy. I confess that I do not know what a National Progressive is, but I will candidly say that I like the sound better than "Liberal Progressive." I have concluded that the Liberal Progressive is a sort of half-way house between the Progressive party and the Liberal party. I have endeavoured to get some definitions of the term Liberal Progressive. One person suggested to me that a Liberal Progressive was a variety of politician sitting on the fence—you will pardon me if I use the expression which my informant used, but I will take it back if you tell me to—a political mugwump with his mug on one side of the fence and his wump on the other.

Mr. BEAUBIEN: Will the hon. gentleman give us a definition of "Liberal Conservative?"

Mr. EDWARDS (Frontenac): If I thought it would have any effect on the hon. gentleman, or if I were sure his grey matter was properly functioning so as to take it in, I should not mind spending a week-end with him for the purpose of enlightening him on the point. Another person told me that a Liberal Progressive was a sort of politician who could stomach neither the Liberal party nor the Progressive in its entirety, but who tacked the two ends together in the hope of fooling the electors and trying to make them believe that he possessed the best qualities of both Liberals and Progressives—if there are any best. But, Mr. Speaker, while we have the address in reply to the speech from the throne seconded by a National Progressive instead of a Liberal—

Mr. HANSON: That is something new.

Mr. EDWARDS (Frontenac): That is nothing new—certainly not, because we have as a cabinet minister the Minister of Immigration and Colonization (Mr. Forke), who has not yet reached the point where he can call himself a Liberal. He still calls himself a Progressive; I refer you to the authority already cited, the Parliamentary Guide. In what position the Minister of Immigration is I do not know. He calls himself a Progressive and he is a minister in a Liberal government. It strikes me he is somewhat in the same situation as we are told Mahomet's coffin was in: 'twixt heaven and hell and fit for neither place.

We have been told, Mr. Speaker, that there are evidences of prosperity in this country. Surely no person could deny that for a moment. What are the evidences of prosperity? One of the evidences in living form is our ambassador in Washington. Half a million dollars has been spent there to provide him with a residence. Another evidence that we have lots of money in this country—which is an indication of prosperity of course—is the fact that hundreds of thousands of dollars have been spent in tearing down a whole block right here in the city of Ottawa. Then we have, of course, the further present evidence of a bountiful harvest, due entirely to the wisdom of the government. We have also, as an evidence of prosperity, the export of millions of dollars worth of raw material. That proves that we have the raw material or it could not be exported. A further evidence of our prosperity lies in the fact that we are exporting thousands of Canadians across the line to work up that raw material and ship it back to us. Then, as a further evidence of our prosperity, we have the fat salaries which are being drawn by deputy ministers, and by those who have been fortunate enough to be appointed on commissions. We also have the subsidizing of foreigners to come from Europe to Canada to force Canadians out of this country. On the other hand I call the particular attention of the member for Saskatoon (Mr. Young) to this fact. In speaking this afternoon he rather ridiculed

the idea of the existence of unemployment. Well, as to that I refer him to page 186 of Hansard of this session, and to the statement made by the Minister of Immigration that scarcely a day passes but he receives complaints regarding unemployment in this country.

I might also refer, as further evidence of prosperity or the lack of it, to the fact that officials of the civil service, men who are going up and down this country doing important and useful work for the Dominion, are receiving entirely inadequate salaries for the duties they discharge. The same is true with regard to rural postmasters and rural mail-carriers throughout the country, who are so niggardly paid. It will be hard to make them believe that this country is prosperous when they receive such insignificant stipends. I refer also to the shameful manner in which our returned soldiers have been and are being used; I refer to the steel plants, and the other factories which are idle in this country and which should be operating. I refer also to the fact that thousands of men are out of work; that thousands who ought to be employed are denied work in this country, and that one of the most important functions of our ambassador in Washington has been to plead with the government of the United States to allow "out of work" Canadians to cross the border to get that employment which is denied to them at home.

Another matter to which I would briefly refer is the question of "equality of status" of this country, so much and so frequently talked about. I am sure the people of Canada deeply appreciate the wonderful work which was done for this country by the Prime Minister and the Minister of Justice (Mr. Lapointe) when, with their wonderful personality and influence, they went over to the old country and succeeded in wresting from the motherland another Magna Charta, another charter, of freedom for this Dominion. In that connection, Sir, I might say that in so far as there is any changed status in the Dominion it started at the time Canadians left this country and went to South Africa to answer the call of duty there, sent by a Liberal government at the time and sent on the c.o.d. principle. That act on the part of Canadians at the time of the South African war startled the world to some extent. It startled the world but perhaps did not convince it that Canada was any more than an impulsive young nation. But, Sir, any change which has really come to this country and to its status in the eyes of other nations came because of the splendid work done by our soldiers in the Great war from 1914 to 1918, and it ill becomes the Prime Minister, or any of his government, to try to arrogate to themselves the glory for any change in the relations of this country towards other parts of the world, to try to take that glory away from the men who really brought to Canada the distinction it enjoys to-day.

In that connection, Sir, I want to refer just for a moment to a remark made by the hon. member for Labelle (Mr. Bourassa).

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): I can well understand the audible smile of hon. gentlemen opposite; I take that as an indication of the contempt with which they accept the utterances of the hon. member for Labelle. The hon. gentleman in question said in the course of his speech:

> From a social point of view, therefore, let us beware before we open our doors to anyone who may come from England with a heart full of hatred against all British institutions, with a heart full of rancour against everything connected with the British system of government. Of course, if you wish to hasten the day of secession, if you want to precipitate Canada into a crisis with Great Britain, bring as many as you can of that kind of people to this country.

It seems to me that it comes with ill grace from the member for Labelle to talk about others exhibiting a hatred of anything British, or having rancour in their hearts against British institutions and ideas of government. He, least of all, should mention that. But when he speaks, as he does, about the bringing of English settlers here as likely to produce a crisis between this country and the motherland, I would remind him that a man is not known by the way he trims his beard, or by the way he curls his moustaches, or by the elegant language which his education permits him to use. Something more than that is needed to constitute the man; and, Sir, we cannot forget that even the roughest and most uncouth apaches from the dives of Paris had something within their being that struck fire when their country called, that even the worst roughneck from Whitechapel, London, had within him something which struck fire when his country called. I know that the hon. member for Labelle cannot appreciate much less understand those sentiments; but I say to you, Sir, that if I had to depend upon any person to carry this country through a crisis I would rather have this country filled with apaches from the dives of Paris and with roughnecks from the slums of London than depend in a national crisis on men of the stamp of the hon. member for Labelle.

Some hon. MEMBERS: Order.

Mr. EDWARDS (Frontenac): Order what? I have stated what I have stated and I mean exactly what I say. The proof is there—that when the crisis did come and the tocsin of war was sounded, the lowest of the low, those who had had no advantages at all, had in their souls a spark which has never existed in that of the hon. member for Labelle.

I have just one word to say with regard to the question of natural resources and it is this—that the proposal to bind Alberta and Saskatchewan for all time, and to use their own property as a bribe, will take its place in history as the most brazen subversion of freedom this country has ever seen. I want to add this further statement that Alberta and Saskatchewan believe autonomy means self-government for them as much as for the other provinces. They believe that if advice from distinguished visitors when they are passing through this country is unwelcome, tyrannical dictation to the western provinces is even more so.

This house was startled this afternoon by a presentation of facts by the hon. junior member for Halifax (Mr. Quinn), who placed before us the McConachie case. I want to add a few items to that to show the house that it is not an isolated case and that the department presided over by the Minister of Immigration and Colonization, no matter what his efforts may be, no matter how honest he may be in those efforts, is very inefficiently and unfairly managed. The McConachie case is fresh in the minds of all hon. members. It was clearly stated to us this afternoon. Let me cite a few more cases in which the treatment was somewhat different. This afternoon there was placed on the table by the Minister of Immigration a return from which I cite a case of a boy of nine years of age who, because of deafness, was unable to pass the medical examination, but to whom the minister granted a permit to enter this country. I cite another case of a man of thirty-five years of age from Norway with his wife and two children. He could not pass the medical examination; he was medically unfit to come into this country, but the Minister of Immigration and Colonization gave him a permit to enter because he possessed $508. At least that is the reason stated in the return brought down by the minister.

Let me cite another case, that of Patrick McGorman, an Irishman, twenty-five years of age. He was certified at the port of entry as being feeble-minded and illiterate. But he had a brother in Toronto who said he would keep an eye on him and this man was given a permit by the minister to enter this country as a desirable citizen. I find here the case of Mrs. Mary Holt, fifty-one years of age. The record states that she had a mental breakdown for which she was under treatment in Scotland. She, however, had a husband in this country who seemed to be able to receive her and who guaranteed that she would not become a public charge, and she was given a permit to enter. There is another case of a man named James Moore, who was reported at the port of entry as being physically defective and liable to become a public charge. Was he kept out by the minister? No, the minister signed his name to a permit and that man, liable to become a public charge, was admitted into the Dominion of Canada as a citizen.

Another case is that of Evelyn Crozier, eighteen years of age, suffering from psychopathic inferiority or emotional instability. She, however, was given a permit to come in, the minister explaining that they thought in a different environment she might improve somewhat, and they were going to give her a chance. Another lady, Nannie Torrens, was reported by the medical board as being of poor physique, with spinal trouble and heart disease which would prevent her from earning her own living, but this did not prevent the minister from giving her a permit to enter Canada as a citizen of this country. Another case is that of an Austrian Jew, thirty-five years of age, who was examined and rejected, but in view of certain representations made to the department he was allowed to remain in Canada. Who, I ask the minister, made the representations? Who is the power behind the throne in some of these cases?

Mr. FORKE: The hon. member knows that these are only permits for a stated period.

Mr. EDWARDS (Frontenac): I know they are permits. That is exactly what I am saying. The McConachie family asked for a permit, but there was no permit for Mrs. McConachie with her infant child to stay here for even a few months.

Another case is that of a woman with an unpronounceable name, thirty-one years of age, who came from Poland. She was reported by the doctors as having valvular disease and being of poor physique generally. She had a six year old son with her. Her husband is in Saskatchewan, and the minister was influenced by the fact that there was a suitable home for her there. A bond of indemnity was given to the government that this person would not become a public charge.

There was a suitable home for Mrs. McConachie and her baby to come to in this country. Was she given any opportunity to furnish a bond? None whatever.

The next is the case of Angelo Castenello, a Spaniard, twenty-six years of age, who came in first as a stowaway, and who did not report for years. He was then examined and rejected but he was allowed to stay. Another man, eighteen years of age, who came from Hungary, had been in this country but a short time when he was arrested on a charge of breaking, entering and theft, and he was sentenced to six months' imprisonment. The report of the minister says that the offence was a small one. The man was also reported as being dull mentally and suffering from several diseases, probably inherited. He was given a permit by the minister to stay in Canada with his parents, from whom we suppose he inherited those several diseases. He is a fine type of citizen to allow to remain in this country! That is an example of the great efficiency in the Department of Immigration! We are getting a wonderful population in this country, are we not?

Mrs. Julia Haber, who came from Poland with her husband and five children, suffered from toxic adenomatous goitre, but she was allowed to enter this country. Another case is that of a boy, seven years old, who came to Canada with his parents and who was certified at Quebec as being feeble-minded. The doctors at the port said that he might improve enough to avoid danger but he would never be able to earn his own living. His family, however, were here to look after him and he was given a permit. This boy, seven years old, and reported as being feeble-minded, probably knew enough to step out of the way of an automobile going along the street. They give him credit for that much sense and he is allowed in, but Mrs. McConachie is separated from her family and has to return to the old country with a baby fourteen months old.

The next case is that of James Murray, fifty-five years of age, blind in one eye and defective vision in the other. The minister's report states that this would seriously affect his ability to maintain himself, but it did not affect the minister so as to prevent him from granting a permit to this man to enter this country.

It appears that there is some influence behind the present Minister of Immigration and Colonization directing his efforts. It is hard for me to believe that the Minister of Immigration and Colonization is a heartless man, but I have never had brought to my attention a more cruel incident than the sending of the McConachie woman out of this country, and in the light of the cases which I have cited, and which the minister himself reported in the return which he placed on the table to-day, I ask him now across the floor of the house if he will reconsider the matter and allow this McConachie woman to come here for a while under a permit.

Mr. FORKE: When I consider that the McConachie—

Mr. EDWARDS (Frontenac): No. My question can be answered in the negative or affirmative at once.

Mr. FORKE: I can answer it.

Mr. EDWARDS (Frontenac): If the minister wants to make any explanations, he can make them later on, but he is not going to get up and make a speech. The reason he wants to make a speech on this matter is to endeavour, if possible, to excuse an act of his which is absolutely inexcusable.

Mr. FORKE: Unfair.

Mr. EDWARDS (Frontenac): Unfair, the minister says. I might answer that remark in this way: Having regard to the minister's action in the McConachie case, he is the last man in this country who should ever use the word unfair.

The matter of immigration, Mr. Speaker, is a matter of immigration and emigration, both of which are covered by the word migration. Migration has always exercised a very great influence in shaping world history and determining the destinies of nations and their standards of civilization. Time will not permit me to refer to the three great migrations to Canada which have had an influence in shaping the standard of civilization in this country, but I would direct the attention of the house to the fact that in the forty years between 1881 and 1920 we received in this country 4,640 000 immigrants, which together with the natural increase should have given Canada a population to-day of at least sixteen millions. In the last fifty years we have only added to our population some six millions all told, while in twenty years, between 1820 and 1840, the United States population increased from nine to seventeen millions. We have spent, not only this government, but provincial governments, and the different transportation systems, millions of dollars in bringing immigrants to Canada. But it is not merely a question of bringing them here; it is a question also of retaining them after we get them here.

Immigration is more than a problem of numbers. It is, Mr. Speaker, a problem of the advisability and possibility of mixing old world and new world racial and cultural characteristics. It is a problem of what Canada will be and the part Canada will play in world affairs in the years that are to come. We do not want Canada to be eighty-five per cent rural, like Russia, nor do we want Canada to be about seventy-two per cent urban, like the United States. We should aim in the matter of immigration to get immigrants until our population is fairly balanced in terms of occupation. Another thing which we should aim at was indicated by President Coolidge in his address to congress in December, 1923. I quote his words:

> America should be kept for Americans. To do this we can admit only those whom we can assimilate, namely, those whose backgrounds traditions and so forth are similar to ours, and those who come for the purpose of making America their home, and who will be partakers of the American spirit.

Those words, Mr. Speaker, might very well apply to the immigration policy that we should adopt for the Dominion of Canada. The strangers within our gates must have it impressed upon their minds that this is a British country, and that the union jack and the English language are the distinctive signs of our common Canadian citizenship.

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): What does that laugh mean?

Mr. MORIN (St. Hyacinthe): Does the hon. member think that those who were born here and have lived here for three generations are not as good Canadians as himself?

Mr. EDWARDS (Frontenac): Why, my dear sir, I was born here. Since 1921 Canada has lost to the United States at least six hundred thousand native-born Canadians. That number alone represents a loss of home markets to our farmers of $52,500,000, and a loss to our manufacturers of $145,800,000, a total of $208,300,000; and in addition, to that, most of the six hundred thousand native-born Canadians that we have lost since 1921 have established homes in the United States, which makes the loss greater than the figure mentioned. Professor Irving Fisher says that the average value to the state of each productive citizen is $3,000. I do not know whether that is true or not, but fix it at whatever figure you will, the loss to this country by our native-born Canadians migrating to the United States is a very considerable sum.

The Minister of Immigration says that the government policy is to settle people on the land, and in the next breath he refers to the steady flow of rural people to the cities. Why is that flow taking place? Because of a foolish tariff policy which discriminates against our Canadian farmers. In his excellent speech the other day the hon. member for South Essex (Mr. Gott) gave some very interesting figures. He showed that in one week 128 carloads of tomatoes were brought into Canada, and during seven consecutive weeks 1,911 carloads of early vegetables. The hon. member for Victoria, B.C. (Mr. Tolmie) also gave the house some interesting figures. He stated that the province of British Columbia consumed 12,500,000 pounds of butter, of which 7,500,000 pounds were imported. He also stated that 75 per cent of British Columbia's meat consumption was imported. Across the line in the state of Washington nearly 70 per cent of the lands of that state are occupied and producing, as compared with only a fraction of that amount in the province of British Columbia. During the year ending November, 1926, we imported butter to the amount of $3,324,339 from Australia and New Zealand, and last year $3,503,833 or a total of $6,828,-172, representing 20,000,000 pounds of butter imported in two years into Canada from other countries—20,000,000 pounds of butter which the Canadian farmer should have made himself, and representing nearly $7,000,000 which should have gone into the pockets of our Canadian farmers.

I notice that the Minister of Immigration lumped the figures of immigrants coming in from the United States, the British Isles and Scandinavia. Why did he do that? Because had he separated the figures it would have shown the utter uselessness and inefficiency of his immigration policy; it would have shown that he was not getting from the British Isles the immigration which he says it was the object of the government to obtain. Let me give the figures for just one year. In 1927, 49,784 immigrants came to this country from the British Isles, and 73,182 from continental Europe. That situation is made worse by the fact that in 1926, 94,631 Canadians went to the United States, of whom 56,957 came back, leaving a net loss of 37,674 Canadians. Deduct that from the number of British who came to this country, 49,784, and it will be seen that our net gain of British subjects was in that year 12,110, as against 73,182 non-British.

Where is this going to stop, Mr. Speaker? I say it is high time that serious consideration should be given to this matter by the government and members of this house. We want more immigrants in Canada, it is true,

and we want immigrants of a selected type. I submit with all due regard to those who apparently may differ from me that it should be the object of this government or of any government in the Dominion of Canada to facilitate and encourage in every way possible the bringing in of immigrants from the motherland rather than from continental Europe. That is the only way we can build up this country along the lines on which we hope to see it grow.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I shall not take up many minutes of the short time that is allotted to me under the new rules to congratulate at any length the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address. Suffice it to say that I associate myself fully with all the congratulations which have been extended to them by previous speakers; they were indeed well earned. The duty was never more fittingly discharged than by the two hon. gentlemen who on this occasion were entrusted with that task. I do want, however, to take a moment to felicitate my old personal friend and political enemy the leader of the opposition (Mr. Bennett), upon his attaining the high and responsible position of leader of his party. I entered somewhat into his feelings as he addressed the house the other day on the speech from the throne; my memory went back to those delightful addresses which those of us who come from western Canada have been accustomed to hear during past years from my hon. friend. They were all delivered with that charming abandon and graceful freedom of utterance. He was at all times capable of releasing a veritable Niagara of eloquence—and usually informed eloquence—upon any subject which he undertook to discuss. As I say, I entered into his feelings the other day, because the restraint of responsibility was upon him for the first time, or at all events that was the first occasion upon which I have had the pleasure of listening to him since he assumed a position of responsibility. I know how it feels to be robbed of that freedom of utterance, as one is bound to be robbed of it when the sense of responsibility bears heavily. I can only hope and trust that in the discharge of the duties to which my hon. friend has been called he will not lose that charm and eloquence which have been so characteristic of him during the years which are past.

With regard to this question of prosperity, there appears to be some criticism from those opposed to the government that reference should have been made to it in the speech from the throne. There is a disposition on the part of the opposition to develop the idea that Providence is looking after this country in spite of the government.

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: Now I have it, have I not? Well, Mr. Speaker, I take rather the opposite view; I take the view that it is a good thing for the country to have the kind of government with which Providence will consent to co-operate. It is a matter which should give pleasure to all Canadians, whatever their political views may be, that it is possible to feel from coast to coast the throb of renewed economic energy in spite of the blue ruin stories from my hon. friends across the way. Every indicator which business men accept and which economists consider to be standard goes to prove that the people of this Dominion of Canada are to-day enjoying a measure of prosperity which is enjoyed by very few nations of the world.

With especial reference to those blue ruin cries, I was much interested to note that hon. members opposite, in their addresses, have very largely abandoned the line which was taken very generally a few sessions ago. During the first session I had the privilege of occupying a seat in this house, we were fed day after day with the story that if this government were not turned out of power immediately, in a very short time Canada would not be a fit place in which to live, and it would be impossible for our people to live and function in this country. Yes, that line has been abandoned to-day by my hon. friends opposite, and it is to their credit that this has been done. The only ones retaining it are certain maritime province Tories who are still singing the same old blue ruin song in spite of the improvement which is manifest to-day in the general condition even of the maritime provinces.

I want to devote just a few moments to the points which have been raised with respect to the Hudson Bay railway. I do not intend to discuss the matter at any great length, because I expect to have an opportunity at a later date, possibly in committee of supply, to answer any questions which members of the house may wish to ask with regard to this matter. In his admirable and restrained address the leader of the opposition rather doubted the authority of the government to proceed in the manner which we adopted during the year 1927 and which we have followed up to date. I can only refer him in that connection to Hansard of last session, and to the vote which was passed by this parliament in the same manner every

other vote in connection with the Hudson Bay railway project has been passed since it was commenced, no matter under what governmental leaders. May I direct my friend to page 2151 of Hansard for last year, where I was asked the question direct by the hon. member for South Wellington (Mr. Guthrie):

At what port, may I ask?

On that occasion my answer on behalf of the government was:

I have indicated, Mr. Chairman, that we expect to be guided by the investigation in that regard.

Later on the hon. member for Muskoka-Ontario (Mr. McGibbon) asked the following:

When do you expect Mr. Palmer's report?

In reply to which I said:

Not later than August?

Yet we are given to understand by the leader of the opposition that the government should have obtained Mr. Palmer's report in August and then stayed our hands with regard to the prosecution of the work until parliament had met and passed upon it. That was not my understanding of the will of parliament as expressed last session. The whole trend of the discussion on the vote, and indeed the size of the vote itself, is evidence to the contrary. My hon. friend also made reference to the fact that the first speech which he delivered in this house, in 1911, contained a plea for the immediate construction of the Hudson Bay railway. I was curious enough to look up that speech, and I find in it, as my hon. friend has stated, a plea for the immediate completion of the Hudson bay route. He evidently had faith in it at that time; he emphasizes his faith and then goes on to say:

It will provide an additional transportation route by means of which millions of bushels of grain that will be produced on the fertile prairies of the west will find access to the markets of the world, and even although that route be open only for a very short time in the year, it will afford that measure of relief which the absolute necessity of the case demands. It is of the highest possible importance, not only that the best route with the best grades be chosen, but that the terminals also shall be the best that can be provided. I am convinced that the determination of these questions by the government, after proper consideration, will commend itself to the people of every portion of this great Dominion.

In 1911 my hon. friend was quite content to have these great questions determined by the government, and I submit that last session this house, by its action upon the vote for that purpose placed before it, did give the government the necessary authority to act as the government has acted in connection with the matter. My hon. friend addressed the house on the Hudson Bay railway not only in 1911, but also in 1926. Hon. members who were present on that occasion will remember that the Tory party was divided on the question of the advisability of completing the Hudson Bay route. Several very strong addresses were delivered, notably by my hon. friend from St. Lawrence-St. George (Mr. Cahan) indicating the belief on the part of a large proportion of hon. members opposite that the whole project was utter folly, could not possibly have any national value, could not possibly fulfil the purposes for which it is being developed.

Mr. CAHAN: Did you find that in my speech?

Mr. DUNNING: Yes, most certainly.

Mr. CAHAN: I doubt it very much.

Mr. DUNNING: It would take up too much of my time to quote his speech now, but I would suggest to him that he read it over himself.

Mr. CAHAN: I asked for a later and wider investigation as to the strait and the bay.

An hon. MEMBER: Read his speech.

Mr. DUNNING: I do not want to take up my forty minutes reading my hon. friend's speech; I want to make my own.

Mr. CHAPLIN: Accept his statement now.

Mr. DUNNING: Of course, I accept any statement my hon. friend makes, but I do commend him to the reading of his own speech in the light of what has transpired since. My hon. friend from West Calgary had undergone a change of heart between 1911 and 1926, because in the latter year he said:

I could not vote to send the railway to Nelson. I say that because I have not adequate information that would convince me that the expenditure of the money necessary, some $29,000,000 or $30,000,000 would be in the public interest.

Mr. BENNETT: Hear, hear.

Mr. DUNNING: He was quite sure in 1911, but when seven-eighths of the railway had been built by 1926 he thought we ought to have an investigation about it.

Mr. BENNETT: What is wrong about it?

Mr. DUNNING: I want to read further:

My mind is open; I have no preconceived notions, no prejudices and no bias with respect to this question. On the evidence as I have read it—I have read all the evidence that has been available—there seems to be a marked conflict of opinion.

Then later on the suggestion is made that:

—the minister take steps immediately to demonstrate beyond any peradventure the feasibility of navigation in the straits. The minister has indicated, although not in so many definite terms, that he will at some future day ask parliament to support such a vote. . . No one in this house can say authoritatively that from the evidence we have before us it is an economic certainty that the Hudson Bay railway if constructed to the bay would successfully, efficiently or economically serve the purposes in mind.

In 1911 he told us of the millions of bushels of grain that would go by that route. Let me continue his speech:

That, it seems to me, can be ascertained only by a thorough examination on the part of those competent to make such an examination, not on the land but on the sea

I commend my hon. friend for his view in that regard, but I would point out this: That examination of the straits has been commenced. Is my hon. friend from West Calgary now satisfied? Have his doubts been removed by the work which has up to now been done?

Mr. CAHAN: We have no report of it yet.

Mr. DUNNING: Exactly, and yet the great Conservative party and its leader are now ready to support the completion of the Hudson Bay route. That is exactly my point, Mr. Speaker, that in 1926 everything was doubtful. In the minds of many hon. gentlemen opposite the whole thing was completely wrong. My hon. friend the leader of the opposition said: investigate. The government agreed that an investigation should be conducted. He wanted nothing more done until the investigation was completed. The investigation is not yet completed, but my hon. friend to-day is nevertheless—may I take it that my hon. friend the leader of the opposition is now convinced that the Hudson Bay route is practicable, that it is good sound business for the Dominion to develop it along the lines that the government is doing? He does not answer. I am afraid that the change of view of my hon. friend and his friends must be ascribed to other reasons than those which he stated would alone satisfy him in the session when the vote was made to which I have been referring.

There is just one other matter with reference to the Hudson Bay at this time that I should refer to. My hon. friend from Halifax (Mr. Quinn)—I am sorry he is not in the house—

Mr. QUINN: Yes.

Mr. DUNNING: Ah, yes. He stated this afternoon something to the effect that economic conditions in his province could be cured by the Minister of Railways buying Canadian goods for the Hudson Bay work. I trust I am not misquoting my hon. friend. Then he went on to say that the Minister of Railways had purchased West Virginia potatoes—

Mr. HANSON: No, Carolina potatoes and Virginia coal.

Mr. DUNNING: Carolina potatoes and Virginia coal. I managed to have myself declared out of order by describing the statement as false, Mr. Speaker, and of course I cannot now under the rules of the house say that it is false, but I can place upon the record a report from the purchasing agent of the department with reference to all the purchases made by the Department of Railways and Canals in that connection, and leave the house to judge whether my hon. friend's statement was true or false.

Mr. QUINN: I am quite certain it was.

Mr. DUNNING: False?

Mr. QUINN: I am quite certain that it was true.

Mr. DUNNING: Now will my hon. friend please listen:

As requested by you I beg to submit herewith details of coal and potatoes purchased in Nova Scotia in connection with the boats which sailed from Sydney and Halifax to the Hudson bay last fall on account of the Hudson Bay railway terminals. The steamship Canadian Raider, which sailed from Sydney, had a cargo made up as follows: 3,840 tons run of mine steam coal, supplied by the Dominion Coal Company, Limited, Sydney.

Does my hon. friend say that the Dominion Coal Company was supplying West Virginia coal from Sydney? Is that true or false?

Mr. BENNETT: That is out of order.

Mr. DUNNING (Reading):

Ten tons of blacksmith coal in bags supplied also by the Dominion Coal Company, Sydney.

And here is what my hon. friend hangs his hat on:

408 tons anthracite stove coal in bags, supplied by S. Cunard and Company, Limited, Halifax.
Supplied for the stoves in the camps at Hudson bay.

Similar coal to that which was sent by the government which supplied those stoves, and of which my hon. friend was a supporter when the Nelson terminals were first commenced under a Tory government. I do not call them traitors to Canada because they did that; it was a sound, wise thing to do. But why should we be blamed for supplying 408 tons

of anthracite coal to burn in the very anthracite stoves supplied by the Conservative government? There was also:

100 tons approximately of general cargo, including canned goods, meats, hardware, etc., purchased from Canadian firms in Halifax and Sydney. No potatoes were forwarded by the department on this ship.

Mr. BENNETT: What about the potatoes for the ship's own use? That is what he was talking about.

Mr. DUNNING: I will come to that in connection with the next ship. I shall be very glad to give my hon. friend the information. Here it is:

The tug St. Ann, which sailed from Halifax, had a cargo of: 238 gross tons of screened bunker coal, supplied by S. Cunard and Co., Ltd., of Halifax; 16 net tons screened Sydney coal in bags, supplied by S. Cunard and Co., Ltd., Halifax; 45 bushels of potatoes for the crews use supplied by Nickerson and Crease, Ltd., Halifax.

And the purchasing agent adds that, although he had instructions to see that they were Canadian potatoes, he could not positively swear that those forty-five bushels were Canadian potatoes. And would it be a terrible thing, I submit to the leader of the opposition, for forty-five bushels of potatoes to be purchased for the crew of a ship going to Hudson bay, which potatoes, from the information at hand, might or might not be Canadian?

I come next to the tug Ocean Eagle: 380 gross tons of screened bunker coal supplied by Cunard & Sons, 170 net tons, Sydney screened coal, 30 gross tons screened bunker coal supplied by the Nova Scotia Steel & Coal Company Limited, North Sydney—and they of course would not be supplying West Virginia coal—and also 45 bushels of potatoes for the crew's use. Again I cannot say positively, I cannot swear, that there might not have been a Yankee potato among them.

An hon. MEMBER: Why?

Mr. DUNNING: Why? Well, Mr. Speaker, we have not yet reached the point where we insist upon a brand being placed upon potatoes.

Mr. McGIBBON: Tell us the price.

Mr. DUNNING: I have not got it here but I shall be delighted to ascertain it for my hon. friend.

Mr. QUINN: I gave it this afternoon.

Mr. DUNNING: If the Conservative party has reached such a pass that it requires to make all this fuss about forty-five bushels of potatoes it is indeed in bad straits. Let me say in conclusion on that point that the policy of my department, under instructions from the minister, is to purchase Canadian supplies wherever they can economically be secured, and that policy will be continued so long as I have the honour to occupy my present position.

With regard to fuel and the need, as stated by a number of hon. members, for what is described as a national fuel policy, I shall say very little at this stage because I know that my colleague the Minister of Mines (Mr. Stewart) is working on the matter in the same conscientious manner as he has been doing ever since the information came to him from the railway commission regarding the question. I should like, however, in reference to the phrase "national fuel policy," to commend to the members of this house the advice offered by the leader of the opposition in a recent speech, wherein he warned the public of Canada not to be led astray by catchwords.

Mr. BENNETT: I am glad you read it.

Mr. DUNNING: Well, I have yet to hear a definition of what would constitute a national coal policy. What should be the details of such a policy and upon what principles should it rest? If it is to rest upon the same principles that underlie that other noble catchword so often used by my hon. friends opposite—the Conservative national policy, which means that all the people are to be taxed for the benefit of a few—then I for one do not want any extension of that kind of principle in our national life. Even those of us who do not believe in the principle of high protection, who do not wish to see our protective tariff go ever higher and higher, as hon. gentlemen opposite seem to wish, must contend with what has been built up through the years, and in justice to all those who are dependent upon a fiscal policy which has been in existence in this country for so many years, it is necessary for us to use caution and prudence in interfering with it. That constitutes an additional reason why we should be doubly careful not to embark upon other so-called national policies which have as their basis the taxation of the many for the benefit of the relatively few.

Mr. McGIBBON: That's cheap; it comes from Saskatchewan.

Mr. DUNNING: We have found it rather dear than cheap in practice. As regards the desirability of fostering so far as possible Canadian industry through the medium of transportation organizations, I need hardly say that I am in hearty accord with the principle and will do all I can to promote it.

I have given evidence in the past of my interest in the matter and will continue to do all I can to further efforts in this direction. However, let me lay down this principle in connection with transportation: It is my duty to watch the interests of transportation in this country, and if the state, for state reasons, desires to fix a rate for the carriage of goods which is below a fair and reasonable level from the standpoint of the transportation companies, and in the view of the railway commission, then the state should not ask these companies to bear the loss but should vote it in parliament on the same principle as is applied in the Maritime Freight Rates Act. I say this in the interests of the people's railway. If we are to expect esprit de corps, that devotion to duty, that pride in the institution on the part of its officers and men, without which success is impossible, then we must hold up before these officers and employees an incentive to have their institution make both ends meet. But we cannot do that if we force the railways to bear an expenditure, ordered by the state, below what is declared to be a fair and reasonable rate.

With regard to maritime freight rates, I laboured with others, notably the two ministers from the maritime provinces, to evolve last session a measure which would carry out the desires, the aspirations of the maritime people in this regard; and I am astonished to-day at the manner in which our work in this matter—work which has been commended by the people of the maritime provinces of all political shades of opinion—has been complained about and condemned by the maritime Tories in this house. I am very thankful that these hon. gentlemen, although temporarily representing the people of the maritime provinces in this house, do not really represent them in their attitude towards the government on the question of freight rates in those provinces. The people of the maritime provinces have given ample evidence to myself and other members of the government of their appreciation of what has been done in the way of reducing freight rates. My hon. friends talk about paper rates, and they insist that the government has been niggardly in the matter—no, not the government; because the attack has been directed against the Canadian National Railways. One hon. gentleman, the member for York-Sunbury (Mr. Hanson) I believe intimated that he would not take Sir Henry Thornton's word; he went elsewhere, "to the American traffic men," he said. He did not go to our own railways. More Virginia potatoes.

[Mr. Dunning.]

After all, what is the real test as to whether or not the people of the maritime provinces have received the benefits which this parliament contemplated they should derive from the act? The real test is whether or not they are having their traffic moved to-day, under the act, at twenty per cent less than it was moved a year ago; and I venture the statement that the figures given by the Postmaster General (Mr. Veniot) prove—it will be proved progressively as time goes on—that the freight bills of the people of the maritime provinces with respect to traffic movements under the act will be shown to be twenty per cent less than they would have been had the Maritime Freight Rates Act not been passed. That is an incontrovertible fact. So far as international rates are concerned, when the matter was dealt with in the house last year I gave the information to the best of my ability. I pointed out that the international joint rate was controlled neither by the railway commission of Canada nor by the interstate commerce commission of the United States, and that I was convinced from information supplied by American railways that were the rates reduced twenty per cent on the Canadian side, the United States in self protection would see to it that Canadian shippers did not get the advantage of that reduction. In an interjection when my hon. friend from York-Sunbury was speaking yesterday I mentioned that to him. He indicated that I got my information from the wrong source. I got it from Sir Henry Thornton, and he did not believe Sir Henry Thornton. Well, I do.

Mr. HANSON: I did not say anything of the sort. I said—

Some hon. MEMBERS: Sit down.

Mr. HANSON: The minister will allow me to correct him. What I did say was that I did not go to Sir Henry Thornton for information. I said nothing more and nothing less.

Mr. DUNNING: The implication certainly was that my hon. friend had little confidence in information supplied by Sir Henry Thornton. However, I will leave it at that. The matter can easily be settled if the veracity of the management of the Canadian National Railways is questioned. If my hon. friend does not choose to take his information from that source I suggest to him that he obtain a letter from the traffic and operating vice-presidents of the American railroads undertaking that if this twenty per cent reduction is put into force on the Canadian side with respect to the Canadian proportion of the

through rate, they will not take steps to enlarge the total international through rate. If my hon. friend will get that sort of offer from the American railroads then his information may indicate the American roads have changed their views since one year ago when the matter was negotiated with them, and I shall under those circumstances be glad to take into consideration an amendment to apply the reduction to international rates as well as to the rates now in force under the Maritime Rates Act.

I do not know how many minutes I have left, but I want to say a word or two about this "gateway" question. I doubt if the members of the house are really familiar in detail with what constitutes the open gateways my hon. friends opposite are making such a noise about. The open gateway, as referred to by maritime Tory members, would mean this, and I will apply a simple illustration in my own case, in western Canada: My farm is situated a few miles from a Canadian National railway station. Twenty miles down the line is an interchange point with the Canadian Pacific railway. What my hon. friends are contending for is that when I ship a carload of grain from the Canadian National station I should have the right to say to that company: You must turn this car over to the Canadian Pacific railway at the interchange point twenty miles away and let that railway haul the car to Fort William or Port Arthur. That is what the open gateway means. And what is the history of them in Nova Scotia and New Brunswick? They came about in a perfectly understandable manner. In the days when the Intercolonial railway did not extend beyond Levis, in the days when it was not a part of a national railway system, in the days when it was necessary for a shipper to get off the Intercolonial line and on to the Canadian Pacific somewhere, they were allowed, for convenience sake, to interchange at St. John and Ste. Rosalie. Now the Intercolonial is part of a great national railway system capable of taking freight from the shipper to any large centre anywhere in Canada Nowhere on the North American continent does the principle prevail that a shipper can direct a railway company to hand over a carload of freight to another railway company to haul to a destination which the first railway conveniently serves. Nowhere does that prevail. My hon. friends do not even argue that it means anything material in an economic sense to the people of the maritime provinces. Does it mean lower rates? No. Does it mean any saving? No; their claim was it meant competition. Well, I am a believer, so long as our present system prevails, in a measure of competition but there is wise, sane competition, and foolish and unsound competition. I submit that if the principle of the open gateway were applied all over Canada we would have this kind of competition between our two great railway systems. The Canadian Pacific railway would be sending canvassers to me, located on the Canadian National railway, to attempt to get me to tranship my goods to the Canadian Pacific lines at the earliest opportunity, and conversely the Canadian National railways, I think, would be compelled to do the same thing in connection with Canadian Pacific railway points. I submit that we would be introducing a species of competition into our railway business which would not be advantageous but for which the people of Canada would be compelled to pay very large sums because of the expense involved.

Mr. BENNETT: Ste. Rosalie is left an open gateway.

Mr. DUNNING: By order of the Supreme Court of Canada it is left an open gateway. I shall not go into the legal aspects of the matter; I am merely discussing the principle of it on this occasion as applied to railroading generally throughout Canada and the North American continent. I might, however, ask my hon. friends this question: Does the Conservative party of this country stand for the creation of open gateways of the description of the St. John and Ste Rosalie gateways from one end of Canada to the other? That is a very simple question. Tories from the maritime provinces speaking in the house here have made it very clear what they want. Although it does not mean anything to their people financially; although it means no advantage to them at all but does mean robbing the people's railway of freight which it originates, they nevertheless want this privilege kept up in these two cases. Now I am willing to concede to the people of the maritime provinces in principle, on account of their peculiar condition, on account of the conditions of confederation, all that has gone before in the way of legislation, but I am not willing to concede that they are entitled to something which will not benefit them, but which will simply benefit the competitor of the Canadian National railways in these cases. Nor can I be accused of being unfair to the management of either of the two great railways systems, I endeavour to hold the scales evenly. I would say the same thing if

the railway affected in this case were the Canadian Pacific instead of the Canadian National.

May I say in conclusion, because my time is nearly up, that the hon. member for York-Sunbury (Mr. Hanson) in his address resented the fact that the Canadian National railway appealed to the railway commission and to the court in this matter. At first he stated that the government of Canada was behind it. Then he corrected himself and said that at least the government could have stopped the appeal. I wish hon. gentlemen would consider what that means. The management of the Canadian National railway lines, under our law, is just as free to use the railway commission and the judicial institutions of this country in what they believe to be the interests of the national railway as the management of the Canadian Pacific is free to use the same institutions in the interests of their railway. I submit that it will be a bad day when any minister of railways puts his hand on the shoulder of the management of the Canadian National railway, in connection with a case before the railway commission or the court, and will say "do thus and so". Does my hon. friend from York-Sunbury want that condition to prevail? Does he want the government to interfere with the management of the railway in a matter which, under the law at present, is wholly within the competence of the management? Yesterday, if I can understand the English language, he said he thought the government should have interfered. Mr. Speaker, I submit that such interference would be entirely contrary to the principle upon which we have established our national railway system. It is perfectly clear what the division of responsibility is between the government and the Minister of Railways on the one hand, and the management of the system on the other, and certainly it does not include any right to the minister to interfere with matters which are wholly matters of management in the case of the ordinary railway company.

Mr. SPEAKER: Time. Is the house ready for the question?

Mr. J. G. ROSS (Moose Jaw): Mr. Speaker, first of all I wish to congratulate, as others have done, the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address, and I also wish to congratulate the new leader of the opposition (Mr. Bennett) on his election to that position.

I do not intend to take up the time of the house with any lengthy discussion on many points in the speech from the throne. In this evening's Ottawa Citizen I noticed an article on coal and I desire to take a few moments to discuss this matter. The article reads:

> $7 Ton Rate Expected for Albert Coal
> President E. W. Beatty of C.P.R. in Capital To-day in Connection with Such Arrangement.
>
> A freight rate in the vicinity of seven dollars a ton for the movement of Alberta coal to the central markets of Ontario is the basis of negotiations which are now in progress between the Interior department and the railway system. President Beatty, of the C.P.R., was here in connection with the matter to-day and it is said to be coming to a head.
>
> A few days ago an Alberta delegation urged upon the government a statutory rate of $6.50 per ton and this demand was supplemented by arguments in the House. Objections have been imposed, however, and obstacles encountered. The railways do not take kindly to the fixed rate, while members from Saskatchewan and Manitoba have made it clear that, if Ontario points are to receive such a rate they will insist upon a proportionately low rate to points in their territory. There is unlikely to be any statutory fixed rate.
>
> Instead, what is hoped for is a seasonal movement for a term of years, the railways agreeing voluntarily to a rate of seven dollars and the Dominion government protecting them from any loss. Any such scheme would require the sanction of the Railway commission but not legislation by parliament. For such an arrangement in the near future the outlook is considered hopeful.

I do not pretend to be an expert on coal and I am going to try as an ordinary layman of the Dominion of Canada, to give my views upon this subject. We have heard a great deal of talk in this house and there has been a great deal of propaganda by the press in Canada and through our mails in regard to movements of coal from the maritime provinces and also from Alberta to central Canada. First of all I desire to deal briefly with the situation in the maritime provinces. We are told in this house and we are asked through the press to use Canadian coal. The maritime provinces believe that the people of central Canada should buy their fuel instead of buying fuel from the United States. I asked the dominion fuel board to give me some figures in regard to coal imported into Nova Scotia and I find from their figures that, during 1926, the last year for which I have the statistics, 52,957 tons of anthracite coal were imported into Nova Scotia, which has plenty of its own coal. Nevertheless these gentlemen come here and tell us that central Canada should burn Nova Scotia coal, although they do not burn it themselves. Nova Scotia also imported 76,978 tons of bituminous coal. The other day, during the debate on the address, there was some

discussion in regard to prices of coal in Nova Scotia and I find that the laid-down cost of coal at Halifax is as follows:

Run of mine—

From—	Laid down cost per ton
Inverness	$6 35
Sydney	7 35
Springhill	6 85
Acadia	6 65
Lump coal—	
From—	
Inverness	$8 35
Sydney	7 85
Springhill	7 35
Acadia	7 15

As against this coal at these prices, anthracite coal is sold in Halifax at a laid-down cost of $12.35, or a retail cost of $15.50 a ton. Coke is sold in Halifax at $12.75 retail for United States coke, $12.75 for Besco coke, and $11.60 for coke of the Nova Scotia Tramways Company of Halifax. I understand that Nova Scotia coke from the tramways company has up to date been all made from United States coal. If Nova Scotia cannot compete with her coal in Nova Scotia against United States coal, how can we ever fix things up so as to have her compete with United States coal in Ontario and Quebec? You might raise the tariff, but I do not believe that would help anybody, in fact, it would hurt the central provinces a great deal. And even though some hon. members may say: Let them have a taste of their own medicine, I do not believe in that, because two wrongs never made a right, and a tariff in this connection is certainly wrong.

In regard to coal in what is known as the acute fuel area of Ontario and Quebec, I find that there were imported into that acute fuel area in 1926:

	Tons
Anthracite	2,500,000
Coke	900,000
Bituminous coals for domestic purposes	600,000

The people of certain parts of Alberta are asking for a rate to be put on coal to be moved to Ontario and, as this article pointed out, they expect to get it. In my opinion any such rate should not be fixed to apply only to central Canada. We are all Canadians, and if any rate is fixed—although I am against fixing any rate which does not include all the costs of the railways,—every part of Canada should receive the same fair treatment. I do not say that the railways should make any large profit out of this, but the cost to the railways should be covered. If not, you will have the people of Canada as a whole paying the costs for a few of the people of Canada. This is not right; it is a form of protection in which I do not think even my Alberta friends believe.

What are the costs of coal in Ontario to-day, and what coals has Alberta to compete with in Ontario? First of all there is United States anthracite coal, which is laid down in the city of Toronto for $12 a ton. I have here a report which was got out by the Department of Mines, and which was specially asked for by this house, showing the results of tests that were made comparing Alberta fuels with the bituminous and anthracite coals of the United States, and coke. The tests were very fair, because a certain number of tons of each kind of fuel were burned under the most favourable conditions. According to this report the bituminous coals from Pocahontas or New River and the Pennsylvania smokeless coal were equal to anthracite when burned under proper conditions. Certain coals from Alberta, from Canmore, semi-anthracite, I believe, when burned under proper conditions stood up with the American anthracite. It took 1.3 tons of Alberta coal from the foothills to equal one ton of anthracite, and 1.493 to 1.673 tons of coal from the prairie districts, such as Drumheller and Lethbridge, to equal one ton of anthracite. In other words, you would have to burn practically one and a half tons of these coals to get the results you would get from one ton of anthracite.

I will now give the prices of American coal laid down in the city of Toronto, and these are not the retail prices, but the prices without the dealer's profit and delivery cost. Bituminous coal laid down in Toronto costs from $7.25 to $8.75 per ton. These are Pocahontas coals and Pennsylvania smokeless coal in lump, which are comparable according to the coal dealer in this country with Alberta coal, although according to this report from which I have quoted, the tests that were made show that they were better than the Alberta coal. Bituminous coal laid down in Toronto costs from $7.25 to $8.75 per ton, and yet our friends from the province of Alberta think that Alberta coal can compete in Ontario if they are given the $6.50 rate they are asking for.

Mr. KENNEDY: Would the hon. member identify the tests that were made?

Mr. ROSS (Moose Jaw): I am quoting from the report of the Department of Mines, Canada, showing tests of various fuels, table No. 5, showing the relative values of various fuels tested compared with American anthra-

cite and based on pounds of fuel fired per therm (100,000 B.T.U.) delivered to the cooling-water of the system.

I was giving the prices. Alberta coals, at Lethbridge, lump at the mine, cost to-day $5.50 per ton; Lethbridge egg, $4.25; Drumheller lump, $3.85 to $4.25, at the mine; Coalspur double screened lump, $5.50; furnace, $5; egg, $4.75; Foothills lump, over five inches, $5.50; over one and a half inches, $5; egg, $4.75; Edmonton, six inch lump, double screened, $5; lump, one and a half inches and up, $4.50.

Suppose Alberta did get a rate of $6.50 per ton. With these mine prices their coal would cost over $10 per ton in Ontario. At the present time Alberta coal must be laid down in Ontario at not higher than $8.50 per ton if it is to compete with Pocahontas and Pennsylvania smokeless coal. In London, Ontario, at the present time there is a coal being laid down known as Virginia red jacket, which costs at the mine $2.25, plus freight $3.70, plus duty, 50 cents, or a total of $6.45 to the dealer in London. That is lower than the freight rate my hon. friends from Alberta are asking for. How can Alberta coal compete there?

If you take Alberta coal as against anthracite, assuming a price even of $4 per ton at the mine for Alberta coal, and a freight rate of $6.75, that coal landed in Toronto would cost $10.75. According to the tests it takes one and one-third tons of the Foothills coal to equal one ton of anthracite, which would bring the price of Alberta coal to over $14 in comparison with American coal, which is actually being laid down in Toronto to-day for $12 a ton.

If we have to subsidize things in this country there are plenty of things that we might better subsidize than coal to the advantage of the whole people of this country. Why not, develop the market west of the lakes before the Ontario market? The country west of the lakes in 1926 imported 78,800 tons of anthracite and 1,314,000 of bituminous coal. Let us try and get that market first. If you cannot capture the Winnipeg market, where your coal rate is less than you are asking for from Alberta to Toronto, how can you expect Alberta coal to compete in Toronto?

The other day in this house one hon. gentleman took exception to the finding of the board of railway commissioners. I do not hold any brief for the board, but so long as you have a court int his country to decide these questions, you should abide by the decisions of that court until you set up another in its place.

[Mr. J. G. Ross.]

The hon. member for Bow River (Mr. Garland) takes exception to the finding of the board with regard to the $7.22 rate. He says that that figure is incorrect. He is somewhat in the position of a plaintiff, who, because the judge and jury find against him, says the court ought to be dismissed. I shall not go into the full report of the board of ralway commissioners, but will deal with the high lights brought out by the hon. member for Bow River, and then try and give the facts as I have ascertained them.

The first statement to which I take exception will be found on page 112 of Hansard, in these words:

> —I am prepared to accept Sir Henry Thornton's statement that he can haul coal at $9 a ton, pay the share of the over-head and make a substantial profit.

I submit that Sir Henry Thornton never made any such statement, and I believe that was to the knowledge of the hon. member, in all probability, because I understand he was on the committee which investigated this matter, and he questioned Sir Henry Thornton regarding these very points. I do remember a statement appearing in the press some time ago purporting to come from Sir Henry Thornton, who said that if the mine owners in Alberta were willing to shave their price, if the dealers in eastern Canada were willing to shave their price, then he would shave the price of the railway cost and take $9. I think that was the statement made by Sir Henry Thornton.

The second statement made by my hon. friend was to this effect:

> So far does it go that it actually takes cognizance of the wear and tear to the steel rails. . . It takes into consideration every other possible charge. . . which can possibly be attributed to coal. . .

Nevertheless, while before the railway commission the railway companies were allowed to charge the wages of the crew on the train carrying that coal and the cost of the coal in the tender, they were not allowed to charge the cost at which the coal was picked up at the place from where it was taken. Alberta coal had no charge against it for freight until it was beyond Winnipeg; it had to be hauled all the way from the Alberta mines to Winnipeg before any charge for carrying that coal could be made by the railway. Then there was another item of cost which could not be taken into consideration. If Alberta coal supplanted a million tons of American coal in Ontario, we must remember that to-day the Canadian National Railways haul that million tons of coal from the boundary at a profit of say 25 cents a ton. Then who is

going to pay the quarter million dollars which would be lost in that case? It would have to be paid by the people of Canada, of course, if you take away that profitable business from the railway companies.

The next point with which I wish to deal in the speech of my hon. friend is his suggestion that if 10,000 cars of coal were hauled to eastern Canada the traffic back to the west would become so very much greater. Of course there would be some additional freight, but the position in regard to the railways to-day is that they are hauling back empty cars even now, and if you bring down 10,000 cars more it is not going to help them at all. In 1925 the Canadian National Railways hauled back 8,000 empty cars to western Canada, and in 1926 they hauled back 10,000 empty cars. My hon. friend also said that the railway commission found that it cost as much to haul back the empty trains as to haul down the full ones. I take exception to that statement; it does cost as much per gross ton, and I believe that is what the railway commission said. In other words, included in a train hauled down here are so many thousand tons of train and so many thousand tons of coal, and the railway commission said that it would cost as much per ton to take the empty car back as it would cost per ton to bring down the full car, and I think that is absolutely right.

The next point is with regard to the repairs to railway cars. My hon. friend stated that a fair rate for repairs to all the cars over the whole system was $121.90 per year; That certain experts worked out a figure of $209.52, but that the railway commission did not take either figure but placed the cost at $424.85 per car. As a matter of fact, the railway commission did accept the theory of Mr. Oliver, who was employed by the people interested in bringing Alberta coal to eastern Canada, plus 11 per cent per car mile. You cannot set up a price for repair work on cars per year. If one car stays on a siding all year and another is in service all the time naturally the one continually in service will have a much higher repair cost, so you must take the per car mile cost, which I believe was done by the railway commission.

The next point was in connection with the loading of the cars, and it would seem that my hon. friend made a big point there, because it looked as though the railway commission had taken an unfair load for the cars. My hon. friend said that the average of the national system was 36 tons to the car, while the average of the Canadian Pacific railway was 38 tons to the car. I have the exact figures here, taken from page 29 of the annual report of the Canadian National Railways for 1926, item 162. The average loading for 1925 was 24.59 tons and for 1926 24.39 tons, or about 12 tons less than the amount given by my hon. friend. American loadings are given as 27.4 tons for 1926 and .27 tons for 1927. On page 36 of the Canadian Pacific Railway Company's annual report for 1926 the car loadings, stated by my hon. friend to be 38 tons, were given as 26.63 tons for 1925 and 26.76 tons for 1926.

Mr. GARDINER: Does that apply to coal?

Mr. ROSS (Moose Jaw): That applies to all cars, which was the way my hon. friend gave it.

Mr. GARDINER: Does that apply to coal?

Mr. ROSS (Moose Jaw): No, but I will give you the figures. The railway commission took as their basis the figure of 33.4 tons, and they got that figure from the actual loadings of Alberta coal in connection with the experiment of 2,000 cars which were shipped east. Is it unreasonable to take that as the actual figure? Why should my hon. friend say it is unfair?

Mr. SPENCER: Was it not said that that coal was put in small cars on purpose?

Mr. ROSS (Moose Jaw): No, it was not. As a matter of fact, if you will look up the evidence given before the railway commission, you will find that Mr. Stutchbury, who was very much interested in the moving of Alberta coal, went to the superintendent at Edmonton and asked him to put the coal in the smallest cars possible, because he could not sell coal in the big cars if they were fully loaded.

Mr. SPENCER: He wanted it well distributed at that particular time.

Mr. ROSS (Moose Jaw): Yes, and they always want that in the coal business. The small car is what is wanted all through western Canada, and in the smaller towns throughout eastern Canada. The actual loadings out of Drumheller this last year were 34 tons to the car. When a man in a small town is buying a car of coal he telephones and makes it known to the people in the surrounding country that he has a car load on hand. Now, he has a better chance of getting that small car unloaded than if he ordered a big car, with the advantage that he does not have to unload the coal into his bin, thus saving cost. That is why the small car is in demand all over Canada.

Now, Mr. Speaker, I am absolutely in favour of moving Alberta coal to Ontario or to any other part of Canada provided it can be done on its own feet—provided it can be done without making the rest of the Dominion pay a

toll. I do not believe in that, and never will. My hon. friend from Bow River made a very fine political speech for his own riding where the coal miners are. He is one of the party or group who have stood upon the platforms of western Canada for the last four or five years and told the people that the old line politicians, Liberal and Conservative, were trying to hoodwink the electorate into believing certain things. What did he do with his own electors the other day? He tried to dangle in front of them the hope that if a $6.50 rate could be put in, Alberta coal could be hauled to central Canada and they would make a good living out of the business, when he knows perfectly well that that cannot be done. And were they to get this $6.50 rate the Alberta coal producers would be using protection against other parts of the Dominion, and they do not believe in protection. We in western Canada do not believe in protection at all. Why should my hon. friend from Bow River get up in this house and plead for protection for the coal industry because it happens to be in his constituency, any more than my Conservative friends across the way should plead similarly because they happen to have some other kind of industry in their constituencies? They are not thinking of all the people of Canada, they are thinking only of their own small localities.

I simply wanted, Mr. Speaker, to put these facts before hon. members and before the people, because thousands of dollars' worth of literature is going all over the Dominion today in an attempt to foment and ferment another sore spot in the country, which this house will some day have to fix up, and I think that propaganda should be stopped, and stopped right now. We had a maritime question to fix up last year. They may have been right, they may have been wrong; I do not question whether they were or not; but whether they were right or wrong we could not allow a sore spot to continue in the Dominion; we had to fix it up. Now hon. gentlemen are going around the country spreading their propaganda and telling the people of Ontario that they can sell Alberta coal in Ontario in competition with other coal, leading the coal producers of that province to believe that prosperity will be theirs when the rate mentioned is in force. Although they know full well that no rate can be put in operation that will carry Alberta coal to compete, in Ontario, yet they are dangling that prize in front of the people's eyes, thus making another sore spot in Canada for us to fix up some other day.

[Mr. J. G. Ross.]

Mr. O. B. PRICE (Westmorland): Mr. Speaker, it was not my intention to enter into this discussion, but certain statements having been made from the other side of the house, I feel it my duty as a maritime man to refute them. This afternoon the hon. member for Saskatoon (Mr. Young) expressed himself as somewhat dissatisfied with the claims that were being made for the people of the maritime provinces, and he led one to believe that they were not entitled to what consideration they have been given during the past year by the present administration. I regret very much that the hon. gentleman comes originally from the province of Nova Scotia, because I do believe that had he visited his native province in recent years he could not possibly criticize the maritimes as severely or feel quite as bitter as he does regarding maritime rights.

I wish, Sir, to direct the attention of the house to the conditions under which the people of the maritime provinces obtained certain concessions, if you may so term them, last year. The government in appointing Sir Andrew Rae Duncan chairman of the commission could not have chosen a better man, and no doubt those who were associated with him were sincere men. They went through the country from place to place and got what data they could regarding conditions existing in the maritimes, and they tried to evolve some system whereby the people might be given that which was due them. When it is remembered that the maritime provinces came into confederation in opposition to their own judgment, and the part they have played since that time, I think every consideration should be shown to them. It is not necessary for me to relate what the maritimes have contributed to confederation, but it may be said that they joined with Quebec and Ontario in the purchase of the western lands and contributed their part to the funds which went to the development of the western provinces. I believe the Duncan report is very fair in its recommendations, and undoubtedly it has met with the approval not only of this house but of the country at large.

It has been claimed that we are not entitled to the special rates recommended by the Duncan report. I wish briefly to point out the reason why we are so entitled. From our geographical position we are now only following out the system which has been adopted by the United States. There had been no serious attempt made to recognize the geogrgaphical position of the maritime provinces with regard to transportation. The

railways participate in and encourage the lower westbound rates from the Atlantic seaboard of the United States, but do not carry this same principle into Canadian territory. In other words, while there is a differential westbound rate from all north Atlantic ports in the United States to points in the central states and the central provinces of Canada, the rates applied to the maritime provinces are equal both ways. This is not a tariff wall of protection for the shippers situated on the eastern extremity of the United States, but a rate that permits them to overlap their competitor and do business in at least a fair proportion of the country. Otherwise they would be confined to the territory east of their central competitor, while the competitor in the central territory could ship both ways. For example, the rates from Boston and Portland are lower westbound than eastbound for the same mileage, over the same route, for the same class of merchandise and for the same class of service, as follows:

	Cents lower
Boston to Chicago via the all U.S.A. route	7
Boston to St. Louis, via the all U.S.A. route	7
Boston to Chicago via the Canada and U.S.A. route	12
Boston to St. Louis via the Canada and U.S.A. route	12
Boston to Montreal	7
Boston to Toronto	15
Boston to Ottawa	11
Boston to London	15
Boston to Hamilton	15

I point these things out in order that hon. members may have an idea of what the present rates are where differentials are allowed. I would refer now to our land policy, which was copied from the United States after the revolutionary war. At that time thirteen states of the union found themselves in possession of vast territories extending from the Atlantic to the Mississippi and north to the great lakes. Each state contended that extension was due it. Finally it was decided that the matter should be left in the hands of the federal congress with the request from the various states that a proper division be made of the proceeds, affording equitable treatment to all. In the case of the maritime provinces we did not participate in the lands which we assisted Quebec and Ontario in purchasing to constitute this Dominion of ours. We have not to date shared in any division that has been made. While we are perfectly free to say that we are in favour of a return of their natural resources to the western provinces, it must be borne in mind at the same time that the maritime provinces have also their rights in that territory.

I was amazed the other day at the remarks made by the Postmaster General (Mr. Veniot) in which he heartily eulogized the leader of the opposition (Mr. Bennett). I am glad to observe that he has had a change of heart since he addressed a Liberal gathering in Montreal recently, when he expressed the opinion that the Conservative party had chosen from our ranks the man whom it was easiest to defeat. No doubt the hon. gentleman will claim, as he has done on many occasions, that he has been misquoted. In St. John he stated his regrets that St. John-Albert was not represented in the federal house. This was very complimentary indeed to the members who have the honour to come from that constituency.

The Postmaster General has been a very busy man. I referred last year to the large number of postmasters and postmistresses who had been dismissed. Now, I do not believe that the government to-day is in favour of these wholesale dismissals. I do not believe they meet with its approval. I would refer here to one dismissal in particular which has taken place recently. In this case the same mail that conveyed seasons greetings from the Postmaster General and Deputy Postmaster General as well, to the Postmaster at Fox Creek, in my constituency, also carried notice of dismissal to the man who held the office at the time. The people in that community are very largely supporters of the present administration. Apart from three or four families, members of the patronage committee, every family in the constituency has petitioned the government in this matter. The population of the constituency is dwindling owing to the policy of this government. Apart, I say, from three or four families, members of the patronage committee in that district, the people to a man and woman have signed a petition praying that the previous postmaster be reinstated in his office.

To give you an idea of the way in which this patronage committee operates in my constituency, I wish to read a letter from the late Liberal candidate in the district to Mr. Theophile Brisson, a former supporter of the government:

Dorchester, January 12th, 1928.

Mr. THEOPHILE BRISSON,
Fox Creek.

Dear Sir,

I wish to acknowledge your letter with enclosed petition opposed to the change in the Fox Creek post office.

This action was taken at the request of the Moncton parish No. 11 Liberal committee. I am sorry their action does not meet with your approval, and I note a copy of the petition has been sent to the Postmaster General.

Yours very sincerely,

H. R. EMMERSON.

The reply received from the minister was as follows:

Ottawa, January 10, 1928.

Mr. THEOPHILE BRISSON,
Fox Creek, N.B.

Dear Sir,

I acknowledge receipt of yours of the 3rd instant with request. In reply, I will say that the order has already been given for the change and it is not my intention to withdraw it.

Yours truly,

P. J. VENIOT.

In other words, ninety-nine per cent of the people of that constituency are not to have their wishes carried out. In addition to this, a large petition was forwarded to the Postmaster General as well as to the candidate in the constituency.

Reference has been made by the Postmaster General to the attitude of various boards of trade and of the people generally throughout the maritime provinces, to the effect that the people are not appreciative of what has been done for them; and the suggestion is made that action is being taken at the present time under the cloak of the boards of trade and various organizations, of a political nature. May I say that I had the pleasure of attending a banquet given to the Minister of National Defence (Mr. Ralston) and the Postmaster General some time about June 15 last, and perhaps on no previous occasion, for some time past, had political differences been so largely eliminated as they were then. The press had suggested it and the advice had been complied with 100 per cent. The gathering was representative of both political parties and a general get together spirit prevailed throughout. Members of various boards of trade were present. The premier of New Brunswick had made many complimentary references to both the Minister of National Defence and the Postmaster General and had stated that:

The only way to get cohesion is to back up these two men and to present a united front.

It is more regrettable that the Postmaster General should think it necessary now to open a tirade against the Premier of New Brunswick and also to make most unbecoming references to the hon. member for York-Sunbury (Mr. Hanson). As regards the hon. member for York-Sunbury, let me say that he pays 100 cents on the dollar, owns his property in his own name, has no judgments standing against him, and has the esteem of the citizens of Fredericton as well as of the people throughout his constituency. I would add that the references to him indulged in by the minister were not in keeping with the high office which the Postmaster General fills at present.

The Prime Minister (Mr. Mackenzie King) a few days ago referred to the unemployment situation and claimed that unemployment in Canada was diminishing. The Prime Minister no doubt knows very well that Dominion employment bureaus are not to-day doing the same business which they formerly did. Political patronage has come to the front to such an extent that those desiring employment as clerks, stenographers or skilled labourers in the government service are obliged to appeal to Liberal patronage committees. In relation to any work involving emolument all questions are referred to the patronage committee. As an instance of this, I would point out that the bridge and building department of the Canadian National Railways has seen fit to drop permanent employees previously employed in order to take on employees who have given evidence of having supported the Liberal government. Recommendations have been accepted from the patronage committees over the heads of the Department of Railways. As a matter of fact anyone who is familiar with the working of the bridge and building department of the Canadian National Railways knows that it is recognized as a temporary department, and that while employees therein may be in the permanent service and may be contributing to the provident fund, there are only certain months of the year during which they are permitted to work. There are months when they have no employment of any description. For that reason, together with the fact that they must remain in the service a good many years before they can participate in the benefits of the provident fund—they must have attained the age of sixty and have been fifteen years in continuous service—I submit that they should be given special consideration from the standpoint of protecting their position. They are not given that protection. As a matter of fact men who have been in the service for many years have been removed and their positions given to young men who are not qualified.

As another evidence of the kind of patronage system which prevails I may say that the Dominion employment bureau, situated in the city of Moncton, had placed a man as a stationary engineer. While on his way to

take up the position he was told by a member of the Liberal patronage committee that it was useless for him to go where he had been commissioned, because he was on the wrong side of politics, and another man was given the place and permitted to run a stationary engine although he was not qualified for that position under the laws of the province.

During the speech of the Prime Minister in this debate he was asked by the hon. member for Muskoka (Mr. McGibbon) this question:

Is the Prime Minister aware that in the last five years more Canadians crossed to the United States than the number of immigrants who, from all sources, came to this country?

The Prime Minister replied that he was not aware of this but if the hon. member for Muskoka was anxious to encourage immigration he would not advertise such a condition. The Prime Minister's reply is the measure of his manly attitude in dealing with public questions: Do not let the truth be known lest it prevent immigration from coming to Canada. Why spend millions of money in bringing immigrants into Canada when the result is to force Canadians to leave the country in order to get employment? The hon. leader of the opposition has pointed out that the first thing to do is to provide employment for our own people. In taking that stand he is on safe ground. That attitude is borne out by the statements made by the president of the Bank of Montreal in an address at the annual luncheon of the Canadian Pulp and Paper Association at Montreal, when he said that it was physically impossible to stem the tide of emigration to the United States without having tariff protection equal to that of the latter country. If Canada were a dominion of the British Empire as remote from countries as Australia, then she might be able to continue the present moderate policy of protection. But existing as she does in close proximity to a highly industrialized neighbour, Canada will never keep her own sons and the people brought in by immigration without adequate protection for industrial enterprise. Any policy which does not provide for the industrial employment of immigrants, as well as for the settling of newcomers on the land, will result in failure. Of the immigrants that this country can secure, thirty, forty or fifty per cent will have to be given industrial employment. Canada must have more population, but more population will not come while there is so much unemployment in industrial centres, and a restricted home market for the products of the farm.

The other day we had evidence, and I regret it very much, of the deplorable condition of the Consumers Cordage Company of Dartmouth. That concern is asking for a little support from the present administration. It is applying for a little more protection, and I would ask the Minister of Finance (Mr. Robb) to consider seriously the needs of this small concern, which is employing something like 150 people. That protection is needed in order to enable the concern to compete against cord and rope which are coming in from the United States. Unless something is done to alleviate its condition this firm will be absolutely obliged to close down, there is no doubt about it.

Reference has been made to the Australian treaty, and I may say that this treaty is having a prejudicial effect upon the production of butter in my constituency. The people there have a very short season. They experience difficulty in getting about the country during the winter time owing to the very heavy roads. They are handicapped by a very early fall and a very late spring. If the Minister of Finance wishes to encourage these people he should come to their assistance. This applies to those engaged in the dairy industry not only in the maritime provinces but throughout Canada. I have in mind one creamery in my own constituency which used to market its products in the city of Halifax. At the present time, however, they have three months' supply of butter on their hands and are unable to unload it owing to the local market being flooded with New Zealand butter. Under present conditions they cannot compete with the imported product, and throughout the country farmers are declaring that unless they can get a little protection they will not continue in the dairying business. I think the situation is one which calls for the earnest attention of the Minister of Agriculture (Mr. Motherwell).

One of the hon. members for Queens (Mr. Sinclair) the other day spoke of the conditions in Prince Edward Island and seemed to be thoroughly satisfied with them. May I point out that in 1871 the population of Prince Edward Island was 94,021, but that in 1921 it had decreased to 88,650. I cannot see what cause for satisfaction my hon. friend has in the existing conditions in Prince Edward Island. With a decrease in population it is surely time to do something in the way of increasing local industries, or to bring about greater development there. During the administration of Sir Robert Borden improved means of communication between Prince Edward Island and the mainland were established in the shape of a car ferry service be-

tween Point Borden and Cape Tormentine. It was also intended to provide other facilities if the development of business warranted it. As a matter of fact the present government would be amply justified in doing something further for Prince Edward Island along these lines.

The people of the maritime provinces are very sympathetic towards the desire of the people of Alberta to find a market for their coal in the province of Ontario, and greatly admire the pluck and enterprise which they are displaying in connection with that movement.

In connection with the movement of immigrants to Canada we believe the maritime provinces are discriminated against in the matter of rates. For instance suppose that an immigrant arrives at Quebec instead of Halifax: it will cost such a person more to travel to the maritime provinces than would a ticket to the western prairies. That is a condition which should not exist. This matter rests with the passenger service association, but it is worth while drawing the attention of the Minister of Railways (Mr. Dunning) to it.

Before concluding my remarks I wish to direct attention to some expenditures which are being made by the government at the present time. I believe the King government to be one of the greatest spendthrift administrations we have ever had, and if the people were conversant with the facts they would express their opinion in no uncertain way. For example, millions of dollars are being spent in this beautiful city. I congratulate Ottawa upon what the government is doing for it, but I think that when the people throughout Canada realize the enormous sums which have been expended and are still being spent here, they will have something to say to the present administration at the next election. During the last fiscal year nearly twenty millions of dollars were spent in the city of Ottawa and district, including the following items:

Civil service salaries..	$14,974,385 58
Public buildings, repairs, improvement, furniture, etc.. ..	623,058 17
Heating, including salaries of engineers, firemen, etc..	389,915 91
Lighting..	99,001 68
Water..	39,829 39
Elevator attendants..	99,001 68
Telephone service..	95,000 00
General caretaking..	364,298 58

What I desire to point out particularly is the expenditure of the federal district commission amounting to $3,338,881.47, of which nearly $2,500,000, or, to be exact, $2,483,443.11, was for the construction and maintenance of the numerous parks, driveways, gardens, greenhouses, playgrounds and other things considered necessary in the general scheme for the beautification of the national capital. The itemized figures are as follows:

Maintenance of greenhouses	$ 91,278 67
Macdonald garden cost..	262,176 70
Maintenance and construction work on King Edward avenue and park	206,807 12
The national park..	212,253 94

Of which $132,354.83 was for construction and $79,899.11 for maintenance.

Rideau canal driveway cost, $701,886.03.

Of which $299,078.35 was for construction and $402,817.68 for maintenance.

In the face of these expenditures, how much will appear in the estimates for highway construction in the different provinces of Canada? I say to the Minister of Public Works (Mr. Elliott) and to the Minister of Finance that when this condition of affairs is known to the general public, I believe the government will be properly censured for the action which it has taken in bringing about such enormous expenditures.

In conclusion, I wish to make reference to the Provident Fund Act of the Intercolonial and Prince Edward Island Railway employees. Some years ago a minister of railways of that day gave it as his opinion that an amalgamation should be made of the Grand Trunk fund and the Intercolonial railway and Prince Edward Island railway fund and a better basis worked out whereby all employees could be treated alike. I believe the action of the government a few years ago in raising the minimum pension of Canadian National railway employees from $20 to $30 a month was very commendable, and in my opinion we should in the near future have that minimum raised to $50 a month. These employees are contributing and doing the best they can to keep up their end of the scheme. In times past they have contributed more than the government, particularly when the government was contributing $100,000 per annum.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I did not intend to take part in the debate, but I was so intrigued by the remarks of the hon. member for Moose Jaw (Mr. Ross) that I would like to give him a little backing up from the point of view of another province. We hear a great deal these days of national policy; I think the word "national" has been rather overworked and in no case has it been more so than in connection with the fuel policy. We hear at every turn of a national fuel policy and a national coal policy. What

do they amount to when they are examined? The other day I heard an hon. member from Nova Scotia state that he had a national coal policy to announce for the benefit of Canada. I prepared myself to listen to him with great interest, because we have a very serious coal problem in British Columbia; but the hon. gentleman had not got into his stride before it developed that his idea of a national coal policy was purely a selfish provincial policy, asking for an increased tariff for the benefit of Nova Scotia alone. Notwithstanding the fact that he was aware—and he must have been aware, because I told him so last year and, I think, the session before—that if his object was attained of an increased duty of one dollar a ton on bituminous coal imported into Canada, that would mean the ruin of our coal mines in British Columbia because our market is largely in the United States and as we have a reciprocal duty with the United States it would mean that their duty would also be increased a dollar a ton—notwithstanding this he elaborated his view, under the guise of a national coal policy, that we should have a largely increased duty on coal. That, however, was not so remarkable except that his attitude was purely provincial, selfish and narrow; but it was not so illogical in one way because he belongs to a party which believes in the principle of tariffs and still higher tariffs as a remedy for all ills.

But what shall be said when we come to the suggested coal policy of the other end of Canada, that put forward by the press in a very expansive way and by some of the members from Alberta? Their idea of a national coal policy appears to be that this house shall impose upon the two railway companies of Canada a statutory rate vastly below what the coal can be economically carried at. Sir Henry Thornton has the credit of being a capable administrator, and that has been well demonstrated. If he could carry this coal at a rate that would be ever so slightly profitable to him there is no question that, owing to the volume of it, he would be very anxious to carry it. The fact that he has turned it down and cannot meet the wishes of hon. members from Alberta is proof that the statutory rate asked, no matter how it may be camouflaged, is an attempt to put into effect a rate that Sir Henry Thornton and the Canadian Pacific cannot economically maintain. That is the full and absolute and only meaning that can be taken out of this demand for a statutory rate. If I were to talk in the langugae of the man on the street and not in the language of this parliament I would say, perhaps, that that smacks strongly of what is popularly known as "graft", if we accept the meaning of graft—taking from many people either money or privileges for the benefit of a few people, because that is what is proposed in this case. This comes with particularly bad grace from hon. members who, a few years ago, could not find it in their hearts to protect the children and the dairy farmers of Canada by voting against the encouragement and manufacture of oleomargarine. Of course I refuse to no one the right to change his mind on principles if he sees fit to do so. I only mention this in passing and drop a flower on the grave of political consistency.

As I have said, I have no objection to the principle of protection. As hon. members have perhaps heard me say before, I have no political morals on the question of tariffs, and I would cheerfully advocate protection to-day if I thought it was for the benefit of my province or district, or free trade to-morrow. I do not believe it is a matter of religious belief that should be adhered to, and this saves me from getting into many an awkward position. If this desire for assistance in regard to coal mined in Alberta were put into the form of a bonus—because that is the least vicious form of protection there is, and is far preferable to a tariff—I would have no great objection; but I have a strong objection to its being camouflaged as a rate at the expense of our national railways, because this means the undermining of the whole system, expensively built up, of our government owned railway. Where is this thing going to stop? Because you cannot give to one man and deny another. If Nova Scotia gets its rate rake-off and Alberta gets its hand-out, who is to be the next, and where is this principle going to stop?

There is another phase of the matter that attracts my attention as a representative from British Columbia, and more particularly from the coal mining sections of that province. If the coal mines of Alberta have to be pap-fed to-day by a rate east, how long will it be before they will want to be wet-nursed on a rate west into Vancouver? The one would logically, undeniably, follow the other, and where then would our coal mines on Vancouver island come in? They are struggling very hard at present against the competition of fuel oil, and it would obviously be unjust to saddle them with the burden of an unfairly reduced rate from Alberta, of which they would have to pay a portion, in order to ruin their own industry. We have a coal problem in British Columbia, and we have not come whining to this house about it and asking to be pap-fed. Our coal mines are deep, they

are expensive to work, and we are losing our market to American fuel oil. I investigated this question on one occasion with a view to seeing whether we could not find an outlet by shipping our coal, which is on the seaboard, by means of the government merchant marine ships to Montreal or Toronto via the Panama canal, and I have reason to believe that the same reduction that is asked to be given on Alberta coal, which means a present of two dollars a ton, if given on British Columbia coal going to Montreal or Toronto via the Panama canal, might enable our coal carried by the government merchant marine ships to compete in the coal markets of Montreal and Toronto. But we have not asked that, because we did not think it sound policy that we should come here and ask for our profits to be boosted or our business to be supported by the other parts of Canada, especially when it would mean involving the Canadian government railways and the allied merchant marine in a rate that would be economically unsound and bound to lead to heavy deficits. Once you start that principle, where are you going to stop?

I shall not detain the house further, Mr. Speaker, because I understand it is the wish to get through by eleven.

I did not have the advantage of hearing the remarks of the Minister of Railways (Mr. Dunning), and I do not know what coal policy he referred to or what his views will be, but I earnestly hope, if the government thinks it necessary to give a subsidy in connection with Alberta coal, that the money will be voted in the estimates as a straight bonus to that industry, and only on coal going east, and not mixed up or camouflaged with a rate on the railway which will be disastrous to our Canadian National Railways.

Motion (Mr. Ilsley) agreed to.

On motion of Mr. Mackenzie King, seconded by Mr. Robb, it was ordered that the address be engrossed and transmitted to His Excellency the Governor General by such members of the house as are of the honourable the Privy Council.

SUPPLY

Hon. J. A. ROBB (Minister of Finance) moved:

That this house will at its next sitting resolve itself into a committee to consider of a supply to be granted to His Majesty.

Motion agreed to.

[Mr. Neill.]

WAYS AND MEANS

Hon. J. A. ROBB (Minister of Finance) moved:

That this house will at its next sitting resolve itself into a committee to consider of the ways and means for raising the supply to be granted to His Majesty.

Motion agreed to.

MAIN ESTIMATES FOR 1928-9

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1929, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

On motion of Mr. Mackenzie King, the house proceeded to government notices of motions.

PUBLIC PRINTING AND STATIONERY ACT AMENDMENT

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

That it is expedient to amend the Public Printing and Stationery Act in relation to advances authorized to be made to the king's printer for the purchase of materials, to execute orders and requisitions and payment of wages, and to provide that the total amount of such advances shall at no time exceed the sum of seven hundred thousand dollars or such sum as may hereafter be determined, from time to time, by the governor in council.

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

Motion agreed to.

CANTEEN FUNDS

Hon. J. L. RALSTON (Minister of National Defence) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to provide for the disposition and allotment of the canteen funds which were accumulated during the war by certain units of the Canadian Expeditionary Force in Canada, the Canadian Siberian Forces and by the forces stationed at St. Lucia (British West Indies), resulting from the profits of canteens and other like institutions operated by the several units and formations, and for the administration of the same by the provincial board of trustees appointed under the Canteen Funds Act, chapter 34 of the statutes of 1925.

He said: His Excellency the Governor General, having been made acquainted with

the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

NATIONAL BATTLEFIELDS COMMISSION

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That the Minister of Finance be authorized to pay to the National Battlefields Commission the sum of seventy-five thousand dollars a year for a period not exceeding ten years from the first day of April, 1928, to be expended by the commission for the purposes of and subject to the provisions of the Act respecting the National Battlefields at Quebec.

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

Motion agreed to.

LOAN OF $500,000,000

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That the governor in council be authorized to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act such sum or sums of money as may be required, not to exceed in the whole the sum of five hundred million dollars, for paying or redeeming the whole or any portion of loans or obligations of Canada and for purchasing and withdrawing from circulation unmatured securities of Canada; the principal and interest to be charged upon and payable out of the consolidated revenue fund.

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

Motion agreed to.

DOMINION NOTES ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That the Dominion Notes Act be amended to provide that the governor in council may establish branch offices of the Department of Finance for the redemption of Dominion notes (in addition to those already authorized), at such other place or places in Canada as the governor in council, on the recommendation of the treasury board, may authorize.

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

Motion agreed to.

ELECTRICITY INSPECTION ACT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend and revise the Electricity Inspection Act to bring it into conformity with the existing conditions in electricity, in regard to the commercial unit of supply, the units of electrical measure, inspection standards, the verification of meters, and other related matters, and to provide for the appointment of a director and such assistants as may be deemed necessary.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 10.45 p.m.

Friday, February 10, 1928

The house met at three o'clock.

ADMIRALTY ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 30, to amend the Admiralty Act.

Mr. GARDINER: Explain.

Mr. LAPOINTE: Under the law the Exchequer court in Canada is a court of admiralty and as such has within Canada all the jurisdiction, powers and authority conferred by the Admiralty Act of 1890. The Privy Council in recent cases has decided that this should not apply to the changes which have been made giving additional powers to the High Court of Admiralty since 1890. This bill is to give to the Admiralty court all the powers which courts of the same class have in England.

Motion agreed to and bill read the first time.

SUPREME COURT ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 31, to amend the Supreme Court Act.

Mr. GUTHRIE: Explain.

Mr. LAPOINTE: By this bill the spring sittings of the court, which, as the law stands at the present time, are fixed for the first Tuesday in May, will be advanced to the

fourth Tuesday in April. This is done because it will be more convenient for the judges and, I believe, also for the lawyers.

There is another somewhat important amendment by which it is intended to confer upon the court discretionary power in special cases to receive evidence in addition to that which is embodied in the stated case. The Privy Council in England and the High Court of Appeal in England have such powers and it has happened in a Canadian case that the supreme court here had no authority or discretion to allow the filing of a plan while, when the case was before the Privy Council, the Privy Council allowed the filing of that plan. This is for the purpose of giving the supreme court the same discretionary power as the Privy Council has in that matter.

Motion agreed to and bill read the first time.

DOMINION ELECTIONS ACT

Mr. L. P. BANCROFT (Selkirk) moved for leave to introduce Bill No. 32, to amend the Dominion Elections Act (voting by clergymen, teachers and students).

Some hon. MEMBERS: Explain.

Mr. BANCROFT: This bill seeks to amend paragraph (c) of section 29 of the Dominion Elections Act, which reads as follows:

> (c) Who has ordinarily resided in Canada for at least twelve months and in the electoral district wherein such person seeks to vote for at least two months immediately preceding the issue of the writ of election.

As the election writs are usually issued about two months before election day, the present act disfranchises all persons who change their places of residence during four months immediately preceding the date of an election. Clergymen changing pastorates usually do so during July or August, school teachers begin their duties about September 1, and students in the higher institutions about October 1. Every federal election since 1896 has been held during the fall months. All clergymen, teachers and students, who in following their respective duties, change their place of residence within four months preceding the date of an election are disfranchised under the present act.

This amendment exempts clergymen, teachers and students from paragraph (c) of section 29, provided that they can satisfy the registrar that they are othewise qualified to have their names placed on the voters' list. This amendment affects approximately 12,000 clergymen, 63,000 teachers and 75,000 students.

Motion agreed to and bill read the first time.

FARMERS BANK—STATEMENT

Hon. J. A. ROBB (Minister of Finance): May I have unanimous consent to place on the table a return?

Mr. SPEAKER: By unanimous consent.

Mr. ROBB: On the 3rd February the hon. member for Halton (Mr. Anderson) asked for a statement showing the revenues and expenditures of the Farmers Bank. I now place on the table a statement supplied to me by the liquidator.

BURIAL OF INDIGENT SOLDIERS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Minister of Soldiers' Civil Re-establishment whether any payments have been made since last session in regard to the burial of indigent soldiers, as was promised by the Prime Minister on the last day of the session?

Mr. SPEAKER: This question will serve as a notice.

PRIVILEGE—MR. QUINN

On the orders of the day:

Mr. F. P. QUINN (Halifax): I rise to a question of privilege. Yesterday I made in this house a statement regarding the purchase of potatoes by the government for the Hudson Bay expedition, and the Minister of Railways stated in the house last night that only forty-five bushels had been purchased. I received to-day from a reliable produce firm in Halifax the following telegram.

Mr. SPEAKER: Order. On the orders of the day being called it is not permissible to read telegrams or messages.

Hon. R. B. BENNETT (Leader of the Opposition): If Your Honour pleases, the point taken was not a question on the orders of the day but a question of privilege of the member himself. Your Honour probably did not hear him.

Mr. SPEAKER: No telegrams or documents which are not laid on the table of the house may be read even on a question of privilege.

Mr. BENNETT: As I understand it, Mr. Speaker, he may state the contents of the telegram.

Mr. SPEAKER: Certainly.

Mr. BENNETT: That is what I understand he proposes to do. He was charged yesterday with having made a false statement, and he is now speaking on a question of privilege with regard to his own reliability with respect to the matter.

Mr. QUINN: I will give reliable information which I obtained by wire from Halifax to-day to the effect that 450 barrels of potatoes were supplied to this Hudson Bay expedition at the price of $12 per barrel, when native potatoes could have been supplied in Halifax for one-third the cost.

Mr. DUNNING: Surely, Mr. Speaker, I now have the privilege of replying. I wish to state positively that the Department of Railways and Canals made no such purchase.

Mr. BENNETT: Do I understand the Minister of Railways and Canals to say that no department of the government purchased these potatoes? Is he trying to hide behind the Department of Railways and Canals?

Mr. DUNNING: Yesterday in connection with this matter the hon. member for Halifax (Mr. Quinn) referred directly to myself and the Department of Railways and Canals. I made no investigation beyond the limits of my own department and the work on the Hudson Bay of that department. As to what may have happened elsewhere, my hon. friend can address his question to those who are responsible, but with respect to my department I assert positively that the statement which I gave last night was correct in every particular.

Mr. SPEAKER: In order to make the point of order perfectly clear, Bourinot, page 336, as quoted in Beauchesne's Parliamentary Rules and Forms, says:

> Nor is it in order to read articles in newspapers, letters or other communications, whether printed or written, emanating from persons outside the house, and referring to, or commenting on, or denying anything said by a member, or expressing any opinion reflecting on proceedings within the house.

That is my authority in objecting to the reading of the telegram.

OLD AGE PENSIONS

On the orders of the day:

Mr. WILLIAM IRVINE (Wetaskiwin): May I ask if it is the intention of the government to amend the Old Age Pension Act at this session of parliament with a view either to making it a federal responsibility or at least increasing the proportion of the federal responsibility?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There is no intention to amend the act this session.

CANADIAN NATIONAL RAILWAYS

ROSEDALE-BULLPOUND BRANCH LINE

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 6, to confirm a certain agreement made between the Canadian Pacific Railway Company and the Canadian National Railway Company.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

PATENT ACT AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 7, to amend the Patent Act.

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

On section 1—manufacture for reasonable requirements.

Mr. BENNETT: What change does this make in the existing law?

Mr. RINFRET: As I explained somewhat briefly on the first reading, the purpose of this amendment is to bring the Patent Act into conformity with the terms of the international convention for the protection of industrial property, which was agreed to at The Hague conference in 1925. Canada was represented at that conference by Mr. Frederick Herbert Palmer, Canadian government trade commissioner, and we were a party to the convention, which was signed on our behalf by our representative. The intention now is to incorporate in the Patent Act the changes which were agreed upon at The Hague conference.

Hon. members will notice that the changes that are being made are underlined in the bill before them. It has always been the law that every patentee must satisfy the reasonable requirements of the public with reference to his patent. It was thought by The Hague conference that this provision might be made clearer, and that every country that was a party to the convention should agree not only that the patented article should meet the requirements of the public, but that it should be manufactured in the country. That is the reason, Mr. Chairman, for the amendments that are proposed to subsections (b) and (c) of section 40 of the act. Subsection (b) as proposed to be amended will read:

Any person interested may present a petition to the commissioner alleging that the reasonable requirements of the public with respect to a patented invention have not been satisfied—

Then follows the addition:

—or that the patentee has failed to adequately manufacture the patented invention in Canada.

and so forth.

Mr. GARDINER: What is the minister's definition of "reasonable requirements" of the public? How does he arrive at his definition?

Mr. RINFRET: I believe that the very reason why this change is proposed is that there was confusion as to just what was meant by that phrase. It has often been the experience of the department, and I believe of similar departments in other countries, that after an article has been patented, the patent simply lies there in oblivion without any attempt being made at all to give the public the benefit of the invention. I would interpret the words "reasonable requirements of the public" to mean that the public could reasonably buy the patented article, and that it should be on the market in sufficient numbers to be available to any purchaser. I believe the reason for the change in the section which is now embodied in the bill amending the original act is to make the act clear, not only that the patentee is required to see that the requirements of the public are looked after, but to see that the patented article is manufactured in the country.

Mr. McGIBBON: Does that mean that he will lose his right if he does not manufacture the article?

Mr. RINFRET: No. There is provision made in regard to that. We will come to it in another section. If the requirements of the public are not satisfied, or if the patentee fails to manufacture the article, any citizen may apply for a license to manufacture the article.

Mr. McGIBBON: That is terrible.

Mr. RINFRET: That has been the law for a long while.

Mr. McGIBBON: It robs a man of his right.

Mr. GARDINER: Referring to paragraph (b), it is provided that the patentee be ordered to supply the patented article at a reasonable price. I would ask the minister whether he has any organization in his department which can determine whether a patented article is sold at a reasonable price or not.

[Mr. Rinfret.]

Mr. RINFRET: It is pretty hard to determine what is a reasonable price. I suppose there is competition. I suppose a reasonable price is arrived at having reference to the prices of similar articles. In the case of a patented article which would be in a class by itself I would interpret this section as being within the discretion of the department to determine, whether the price is reasonable or not, but I may say there is no intention on the part of the department to fix the price of the article. The only discretion is to determine whether the patented article is sold at a reasonable price, and if not the department would have authority to grant a license to someone else, in order to place a similar article at the disposal of the public at a lower price. I think that is what it would mean.

Mr. GEARY: Section 40 subsection (c) provides for that very thing—that the commissioner may fix the price.

Mr. GUTHRIE: I would call the attention of the minister to the glaring defect in the drafting of the section which I know as a literary man he will appreciate. The draftsman has employed the practice of splitting the infinitive. At the end of the nineteenth line I find the words:

Or that the patentee has failed to adequately manufacture.

If it were made to read "has failed to manufacture adequately," I think it would be more in harmony with literary taste and good English.

Mr. BENNETT: If my hon. friend the minister will look at paragraph (c) of section 40 he will observe on the second page of the bill the provision that the order shall not be made less than one year after the thirteenth day of June 1923. All those words are wholly unnecessary in 1928, because he is merely re-enacting a section which has been repealed. To speak of 1923 at this time in 1928 would obviously have no application at all and might as well be deleted from the bill.

Mr. RINFRET: I would ask my hon. friend to make that point clear to me.

Mr. BENNETT: The statute apparently was passed prior to 1923, and provision is made that no order shall be issued before the expiration of three years from the date of the patent and "not less than one year after the thirteenth day of June one thousand nine hundred and twenty-three". Obviously any order that can be made in 1928 must be at least one year after the 13th day of June, 1923. Those words can have no possible application.

Mr. RINFRET: It saye "not more than one year after the passing of the act".

Mr. BENNETT: That was originally intended, but you have substituted the words, "not less than one year after the thirteenth day of June, one thousand nine hundred and twenty-three". This is five years later.

Mr. RINFRET: What are you reading from?

Mr. BENNETT: From the top of page 2, paragraph (c). I think that is obvious.

Mr. RINFRET: There is a mistake somewhere, because my copy does not read the same as my hon. friend's. I do not know whether the mistake has been made by the law officers or not. I think we had better let the section stand. I observe that the bills that have been placed at the disposal of the members are different from the one I have. My copy reads:

Provided that such an order shall not be made before the expiration of three years from the date of the patent, and not less than one year after the passing of this act.

Mr. BENNETT: That is perfectly clear.

Mr. RINFRET: I never intended anything different from that, so that I would like to amend the bill.

Mr. BENNETT: I think you had better let the section stand, so as to have no doubt about it, and make the amendment in the meantime.

Section stands.

On section 2—Revocation of patent time limit.

Mr. BENNETT: That section has the same provision at the beginning of subsection 1 and fixes the time at not less than three years after the date of the passing and not less than one year after the thirteenth day of June one thousand nine hundred and twenty-three.

Mr. RINFRET: That is a mistake in the printing of the bill. It was never intended to be drafted that way. If that is the only objection perhaps my hon. friend will agree that we should correct it now.

The CHAIRMAN: Is it agreed we should make the change now?

Sir GEORGE PERLEY: I think it should go back to the department.

Mr. BENNETT: Make the amendment, but do not take the bill out of committee.

The CHAIRMAN: We will revert to section 40, or clause 1 of the bill. In line 8 the words:

—thirteenth day of June one thousand nine hundred and twenty-three—

will be stricken out. The clause will then read:

—after the passing of this act.

The same amendment will be made in line 22 of section 41, or clause 2.

Mr. BENNETT: The minister will take the bill out of committee so the law officers of the crown may see that it is actually in conformity with his intention?

Mr. RINFRET: Yes.

Amendments agreed to.

Sections 1 and 2 as amended agreed to.

The CHAIRMAN: Section 3.

Mr. GEARY: That is the same trouble.

Mr. WOODSWORTH: Mr. Chairman, I have not been able to follow at this end of the chamber what is going on. We are interested in investigating new industrial processes. In case of a new process being discovered which should be generally adopted, is adequate provision made in this bill to protect the general public by making it possible that the new process may be generally adopted throughout the country?

Mr. RINFRET: That would be covered by the act generally. I consider that our Patent Act gives to the public adequate protection with respect to any process such as my hon. friend refers to. But that would hardly come within the scope of this bill. Its only object is to incorporate in our Patent Act the changes which were agreed upon by the countries which met at The Hague two years ago. Of course, a discussion of the Patent Act generally is quite in order while this bill is before the house, but it is not the intention of my department to suggest any other changes than those that were agreed upon at that conference.

Mr. ANDERSON (Halton): Since discussion of the act in general is in order, may I ask the minister: Would it be possible for a patentee to lose his patent at the end of three years if he had not by that time commenced to manufacture under it?

Mr. RINFRET: He does not lose his patent, but it is then open to any citizen to apply to the department for a license to manufacture the patented article, the patentee having failed to avail himself of the privilege granted to him.

Mr. ANDERSON (Halton): Has there not been some objection as to the length of time? Many patents are very complicated and possibly expensive to make, and the person holding the patent might not be able to get his finances ready within the three years.

Mr. RINFRET: Then the minister, on the advice of the commissioner of patents, has discretion to grant or refuse a license.

Section 3 agreed to.

Progress reported.

CANADIAN NATIONAL RAILWAYS

ROSEDALE-BULLPOUND BRANCH LINE

Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would ask permission of the house to rescind the order to refer Bill No. 6 to the committee on railways and canals, and later I would move to have the bill committed to the committee of the whole.

Mr. SPEAKER: By leave of the house.

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Carried, by leave of the house.

Hon. CHARLES A. DUNNING (Minister of Railways): moved:

That Bill No. 6, to confirm a certain agreement made between the Canadian Pacific Railway Company and the Canadian National Railways Company be now committed to committee of the whole.

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

On section 1.—Agreement ratified and confirmed.

Mr. GARDINER: Is this the form of agreement that is generally entered into between two railway companies under such circumstances?

Mr. DUNNING: I do not think it would be correct to say that this is the general form of agreement. I do not know that any such general form exists; the form depends upon the peculiar circumstances of the case. As my hon. friend knows, both railway companies in 1924 desired to construct a line through the territory covered by what is now known as the Rosedale-Bullpound branch line, and the railway committee of this house decided that it was in the interests of Canada to have the railway companies get together on a joint section through that district. From 1924 until now the two companies have been endeavouring to agree to the precise terms of a contract between them covering the construction and operation of that joint section. These terms have now been hammered out to the satisfaction of both companies, and the department has reviewed the matter in so far as it may be said to affect the general interests of the public. The bill now before the committee is the result. It was thought desirable to have parliament ratify the agreement in view of the circumstances attendant upon its inception.

Section agreed to.

Bill reported, read the third time and passed.

TRADE MARK AND DESIGN ACT

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 8, to amend the Trade Mark and Design Act.

Hon. R. B. BENNETT (Leader of the Opposition): This bill, like many others now on the order paper, purports to amend a chapter of the revised statutes of Canada. These statutes came into force on the 1st day of February of this year, and virtually before they have become effective legislation is actually prepared to amend them. This is a very great waste of public money; moreover, it is a considerable inconvenience not only to judges and to the legal profession but also to the community generally. I took up five bills the other day, one after the other, each of which proposes a trifling amendment to a statute that came into force on the 1st day of February of this year. I submit that the government, with a little care, might have provided against that contingency because it is not only, as I say, inconvenient, but expensive to the public that this necessity should arise.

Mr. RINFRET: I agree with my hon. friend; his point is well taken as regards such amendments as we may be tempted to submit to the house as a matter of general practice. However, I plead in favour of this bill that it is in the same predicament as a previous one which I presented to the house for second reading this afternoon. The intention is to bring our statutes into conformity with decisions arrived at by an international congress at which we were represented.

Mr. BENNETT: That was in 1925, as my hon. friend will remember.

Mr. RINFRET: I quite agree that it would have been desirable to have had these amendments agreed upon last year, but as my hon. friend knows, last session was very

brief and it was not possible to attain all the results which we might have aimed at had parliament sat longer. When we prorogued in April these changes were hardly in form for presentation to the house.

Sir GEORGE PERLEY: Did not the minister bring in last year an amendment to the Patent Act?

Mr. RINFRET: I think it was dropped. I suggest that if we are to have an interchange of views we had better go into committee on the bill.

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

On section 1—Minister may refuse to register trade mark in certain cases.

Sir GEORGE PERLEY: The minister might give us some explanation of this; we have not had an opportunity to read the bill. Is it in accordance with the views of the international congress that these clauses have been drafted in this way?

Mr. RINFRET: Yes. My hon. friend will get an idea of what is proposed if he will refer to the explanatory notes. Section 11 of the act sets out a number of reasons for which the minister may refuse to register any trade mark, and it is proposed to add to the list two further reasons which are intended to bring our legislation into conformity with a resolution adopted at The Hague, and which appears as "article 6 bis" on the second page of the bill:

Article 6 bis

The contracting countries undertake to refuse or invalidate, either administratively if their legislation so permits, or at the request of an interested party the registration of a trade mark which constitutes a reproduction or imitation liable to create confusion with a trade mark considered by the competent authority of the country of registration to be well-known there as being already a mark of a national of another contracting country and used for products of the same or a similar kind.

Subsections (f) and (g) are intended to carry out that purpose.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

On section 6—Filing of application already filed in another country.

Mr. BENNETT: I would ask the minister whether, in view of the provisions of the revised statutes of 1927, the situation is properly described by saying that section 52 of the act, as enacted by section 3 of chapter 28 of the statutes of 1923, is repealed, or whether it is not proper to say that a section of the revised statutes, of which this is now a part, is repealed.

Mr. RINFRET: Perhaps we might report progress. I shall look into that point.

Progress reported.

SAINT JOHN AND QUEBEC RAILWAY

Hon. CHARLES A. DUNNING (Minister of Railways and Canals) moved the second reading of Bill No. 9, to authorize an extension of time for the completion of the St. John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.

Mr. BENNETT: Explain.

Mr. DUNNING: When the bill was introduced I made an explanation. If we go into committee now I shall be glad to deal with any phase of the matter.

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

On section 1—Extension of time.

Mr. DUNNING: As I stated when the bill was first introduced, the St. John and Quebec Railway Company is owned by the province of New Brunswick, the government of which province has requested an extension of time for the completion of this branch. The section now before the house is designed to give the Minister of Railways power to grant that extension.

Mr. BENNETT: My sole reason for directing attention to the bill is that in my opinion the company became dead on the first day of December 1927. The time within which the minister might extend the period for construction expired on December 1 last, and inasmuch as it expired on that day there ceased to be a company. So I suggest that additional sections should be added to the bill to make it clear beyond doubt that the corporation as such still exists, because by virtue of the extension having expired before legislation was introduced, the company is no longer existent.

Mr. DUNNING: That point naturally arose in giving consideration to the matter, and I adopted the obvious course for a poor layman; I referred it to the legal department of the government, the Department of Justice, and it is on the advice of the Department of Justice that the bill is presented in its present

form. I am sorry I cannot discuss the legal niceties of the situation with my hon. friend, but apparently the Department of Justice is satisfied that this will effect the purpose desired.

Mr. BENNETT: I have no desire to enter into any legal discussion, but after the first day of December last there was no longer a company.

Mr. DUNNING: I doubt that.

Mr. BENNETT: If my hon. friend will take the trouble to look at the statutes of 1925 he will find that the power of the minister was extended until December 1, 1927, and when that date was passed there was no longer any right to construct a railway, and with the right to construct the railway the corporate powers of the company vanished, partially at least. It is a matter on which the Department of Justice can more readily advise than I can, but we are now giving that power until 1930, although the company as such suffered the legal result following the expiration of the period of time allowed.

Mr. DUNNING: Does my hon. friend say that the company has gone out of existence?

Mr. BENNETT: I said partially.

Mr. DUNNING: I would point out that this company is in existence as the owner of certain railway lines in the province of New Brunswick which are leased and operated by the Canadian National Railways. Therefore the company must of necessity continue to exist; it could not have become defunct on December 1 of last year. The point with respect to that, as I understand it, was that the power of the minister to extend the time expired on that date. That point was referred to the Department of Justice, who have advised me that if it is dealt with in this manner it will be satisfactory and will effect the purpose desired. However, I will leave the bill in committee for the present.

Progress reported.

EXPERIMENTAL FARMS STATIONS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 10, to amend the Experimental Farms Stations Act.

Mr. BENNETT: There is a principle involved in this bill, Mr. Speaker. Parliament created these establishments and provided that parliament itself should determine what areas should thereafter be acquired and what moneys should be expended. This amendment substitutes the governor in council, on the report of the minister, and while one need not have any lack of confidence with respect to the present incumbent of that office I think it desirable, where it is possible, that we should not extend the powers of the governor in council beyond what has heretofore been the case, when parliament may reasonably exercise the power without any inconvenience. That is the situation with respect to this measure, involving as it possibly may very large expenditures of public money.

Mr. MOTHERWELL: I would point out that preceding governments have been acquiring other farms for the last thirty or forty years without any authority whatever. The original bill prescribed the acreage limitation of the first five farms, but that has been entirely disregarded ever since. We just discovered that by accident last fall, and I want to remove that limitation and have some authority for enlarging old farms and purchasing new ones.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

SEEDS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 11, to amend the Seeds Act.

Mr. G. G. COOTE (Macleod): May I ask the minister if it is proposed to send this bill to the standing committee on agriculture and colonization?

Mr. MOTHERWELL: Yes, Mr. Speaker.

Mr. TOLMIE: Will the minister just give us a word of explanation?

Mr. MOTHERWELL: I did explain it on the first reading, but I will do so again. There are two main amendments proposed, the first having to do with the rearranging of the names. This has been threshed out by the seed growers of the west on several occasions, and the names and grades of the various registered seeds are rearranged as shown on page 2 of the bill. That has been quite a moot question in the west; it was discussed for many years, and I would like it to go to the agricultural committee. In regard to the other amendment, two years ago parliament authorized the minister to license new varieties of seed grain. That matter of licensing has been somewhat abused. The minister has no authority to refuse a license when the variety is not a sound one; for

instance, a license has to be granted regardless of the quality of the grain. I am asking for authority for the minister, after submitting the matter to an advisory board, to decline to grant a license when it has been proven by test that the variety of grain does not stand up to a minimum quality of seed grain. Those are the two chief amendments in the bill. The rest are minor amendments to iron out the old act so as to make it more workable in practice. No new principle is involved in any of the amendments except the two to which I have referred, namely, the reclassification of names and the right to refuse a license to varieties until they are tested in actual practice.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

DAIRY INDUSTRY ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 12, to amend the Dairy Industry Act.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

ROYAL MILITARY COLLEGE OF CANADA

Hon. J. L. RALSTON (Minister of National Defence) moved the second reading of Bill No. 13, respecting the Royal Military College of Canada.

Mr. BENNETT: Will the minister explain what he proposes in this bill? I have had correspondence from various people about it.

Mr. RALSTON: This bill is intended to bring up to date the provisions of the act respecting the Royal Military College. As a matter of fact, the provisions which were in the revised statutes of 1906 and which have been continued until the present time, have not been in accordance with the practice which has been adopted in the department since 1910 or 1911. I refer particularly to the matter of qualifications for admission, which, under the old act, are passed on by boards in the provinces and which, by regulation and practice, have been passed upon by a central board, depending upon the certificates held by applicants from educational institutions in the provinces. With regard to the number of students the act provides a limitation of 120, which has been exceeded practically every year since 1913 with the exception, I think, of two. The provision limiting the pay of the staff was exceeded as far back as 1913. This bill is intended, as the explanatory notes show, to remove those limitations and to provide for admission under regulations made by the governor in council which will be published in the Canada Gazette.

Mr. BENNETT: The real fact of the matter is that this is a statute to repeal the existing statute, under which parliament has some control and had made certain provisions, and to substitute for it the discretion of the governor in council. In other words, it becomes purely a political control as distinguished from a parliamentary control. I submit that this is a step in the wrong direction, especially with respect to the Royal Military College, an institution which has rendered great service to this country and which has graduated very distinguished men who have brought great credit to Canada both at home and abroad. Whatever may have been the defects of that system, it is certain, with respect to education, that graduates of that institution have taken a foremost place in almost every part of the world in many branches of human endeavour, not solely confined to military achievements. The number of students that could attend this institution was limited by statute, and quotas were provided for the various provinces. The control with respect, not to the quota but to the pay and the sum total of the numbers that could attend, was a parliamentary control. Heretofore the quota has been regulated by considerations that were referable to that military provision, and while the payments, the character of the instruction given and the government and control of the institution were, perhaps, under the control of the governor in council, there were in the statute itself details with respect to those matters.

A number of old graduates are tremendously interested in this institution, and some of them feel—and I hope they are wrong—that this endeavour at this time to take the control of it entirely out of parliament and to substitute for it practically a political control, as all control by governor in council is, cannot but be fraught with disaster to the institution. There is a feeling that it would be much better if an effort were made to create for the institution a body of government that would be entirely removed from political control. To what extent that may or may not be possible, the minister is perhaps better able to speak than I; but it occurs to me, and I think those of us who read the bill will see, that the minister has substituted control by governor in

council for what was once a real and effective parliamentary control, disregarded though it may have been. It was the duty of the government not to disregard it. The fact that this was done in 1913 does not justify its being done in 1927. The fact is that the provisions of the statute have been disregarded, and if the number of students is to be increased from 120 to 150, this should be done by parliament and not through regulations of the governor in council. I submit that that is the effect of this legislation, and when the matter is being further considered in committee I shall have some detailed observations to make which, possibly, will be better made then than now. I desire, however, to protest against this substitution of control by governor in council for parliamentary control, more especially in view of the observations which the Prime Minister (Mr. Mackenzie King) was so prone to make in days long since past and, I presume happily forgotten when he was at the left of the Speaker.

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

On section 1—Short title.

Mr. GUTHRIE: As I understand this bill, the present act which has been on the statute book of Canada since about the year 1876 and the Royal Military College Act, chapter 131 of the revised statutes which came into force on the 13th of February last, will be wholly repealed and this new brief act substituted therefor. I concur entirely in the remarks of the leader of the opposition particularly in regard to the purpose of this amendment. If hon. members will read this short act, they will see that in every instance the control of this worthy institution is taken out of the hands of parliament and placed in the hands of the Minister of National Defence. There may be something to be said in favour of such a method in regard to an educational establishment, but I do not believe that parliament is ready to yield up all control of this particular institution to the minister as he proposes in this bill. By subsection 2 of section 2 it is provided that:

> Such institution shall be known as The Royal Military College of Canada, and shall be located in some one of the garrison towns of Canada, and shall be under the direction and management of the Minister of National Defence.

In other words, it is to be the creature of the minister, and this whole government institution is to be carried on really by him, though nominally under the authority of the governor in council, which would act, of course, upon the recommendation of the Minister of National Defence to the cabinet of this government.

All the regulations for the governance of the college are to be made in that way. All appointments are to be made on the recommendation of the Minister of National Defence, and all military appointments will be made exclusively on his recommendation. There is a saving clause that civilians shall be appointed under the provisions of the Civil Service Act. Salaries are to be fixed by the governor in council, not by parliament. The number of candidates attending the college is to be regulated by the minister himself, or by the governor in council. All the supplies for the college are to be purchased under the authority of the minister or of the governor in council. Parliament, if this bill passes, will surrender entire control of this institution to the Minister of National Defence.

Now that was not the original intention when this college was instituted in this country away back about the year 1874. The country is proud of this institution. Parliament has always been pretty jealous of the management of this institution, and it has been a matter of pride to the House of Commons in days gone by that they have been consulted in regard to any change in the management of the Royal Military College. I do not feel that the system which has done so well for over half a century should be altered now. I do not say that under the management of the present Minister of National Defence it would be made a political organization, but that would be possible if this act is passed in its present form. My own view is that we should retain as much as possible the principle of the old act whereby parliament kept control of this institution. I do not say that the old act should be maintained intact. There may be changes which should be made, but this is nothing short of a bold attempt to replace the old act and place all the power in the hands of a member of this government. I do not think that is a sound principle in regard to an institution of this kind.

Mr. RALSTON: I regret very much, Mr. Chairman, that my hon. friends have felt it necessary to suggest that the purpose of this act was anything such as they have mentioned. I want to assure this house as earnestly as I possibly can that the purpose of this act is exactly as I have stated, namely, to bring the statute in line with the practice which has been observed in connection with this institu-

tion for a number of years. It is possible that someone with more discretion than I have and less boldness would have allowed the situation to continue as it has been for the last several years, but I have felt that the statute should conform with what has been the practice, and that I should come to parliament and ask for the act to be amended accordingly, and that is why I am here.

I do not think my hon. friends have read carefully the old act, because I assure them, and I hope to be able to convince this committee in a moment by reference to the old act, that the governor in council was the controlling body under the act as originally passed and as it has been administered for all these years. I am going to refer to some sections of the old act just to show this committee that that is the situation. Section 5 of the old act provides that all the staff of the college shall be appointed by the governor in council, and shall hold office during pleasure. My hon. friend suggests that what is intended here by giving the governor in council control is to create a political machine.

Mr. BENNETT: I did not say a political machine. I was very careful not to say that; I would not say it for a moment.

Mr. RALSTON: I accept my hon. friend's statement. I took that inference from it, but I am glad I was wrong. I say that the old act provides that the staff as at present appointed shall be appointed by the governor in council, and this new act does nothing to disturb that practice except that it provides that the civilian staff shall be appointed under the terms of the Civil Service Act, which I think hon. members of this committee will agree is at least not extending the jurisdiction of the governor in council or making it any more likely that this act will be used for that purpose.

Subsection 2 of section 6 of the old act says that there shall be a subordinate civilian staff of such strength as the governor in council deems necessary.

Then section 7 provides that the salaries, pay and allowances shall be fixed from time to time by the governor in council.

The next provision is that a board of examiners shall be appointed by the governor in council.

Subsection 2 of section 8 provides that the board shall be authorized to examine candidates for admission to the college as cadets, and to give certificates in such form as is provided to such as are able to qualify according to the regulations in that behalf; and the regulations, under section 4, are made by the governor in council.

Section 9 provides that the examiners shall transmit to the department a report of the names of all candidates for the information of the governor in council.

Section 11 provides that the candidates shall be selected by the governor in council from the list of names forwarded by the board of examiners.

Section 12 provides that the governor in council may, in addition to the number of cadets limited by this act, select other candidates and other students and allow them to attend the institution.

I have perhaps gone into this matter a little more carefully than my hon. friends, and I want to be quite frank with them, as I endeavoured to be when I spoke a moment ago, and to say to them that the changes made by this new act are not changes such as are suggested by them. The governor in council will have no more power under this act than before, except in these two respects: (1) Under the old statute the number of students is limited to one hundred and twenty. That number by this act is struck out because, as I have stated, for years past the number of students has been a great many more than one hundred and twenty; but remember, the report of this department is laid on the table, and the number of students is always given in that report, and I do not think there has ever been any objection on that count.

Mr. EDWARDS (Frontenac): Why not leave to parliament instead of to the governor in council the matter of fixing the number of students?

Mr. RALSTON: I am not averse to that if this committee thinks it is the proper thing to do.

Sir EUGENE FISET: That is exactly what is the practice, because the minister has to come to parliament with his estimates, and every hon. member then has the opportunity to ask how many students there are, and the minister has to give an explanation with regard to the Royal Military College, for he cannot run it without money.

Mr. RALSTON: I was just going to say that parliament has control of the estimates. The minister is on the floor when his estimates are up, and any member can ask him how many students there are. I think that gives parliament ample control over the number of students because we cannot put students in there unless parliament votes the money. There will be no

difference in the matter of quota for the provinces from what it has always been. Hon. members will realize that we cannot put students in there without having money to take care of them. That is the reason this measure is presented. I can assure my hon. friend and this house that there will be no difference in the matter of quota from what there has been. An endeavour has been made to divide the number of students fairly among the different provinces, and it was only when some provinces did not take up their quota that other provinces were entitled to put in more than otherwise would have been their share.

Mr. EDWARDS (Frontenac): In regard to the number of students allowed by the act, may I ask if we are to understand that the number has been regulated by the cost —if that is the regulating factor, or if not, what has been the factor determining the number of students who would receive instruction at the institution?

Mr. RALSTON: I have only had to do with it for the last year, but I understand that it is a matter of accommodation more that anything else; that is to say there is only room for a certain number of students. I think the accommodation at the present time is taxed to its utmost; that is from 190 to 200 students.

Mr. EDWARDS (Frontenac): I think the accommodation there is altogether inadequate and that it should have been increased long ago.

Mr. RALSTON: The other point is that there is a provision in this act that the salaries paid to the staff shall not exceed $60,000. That, as I say, was exceeded long, long ago—I must confess I do not know how. I do not know how it got by the Auditor General, but apparently these salaries have been paid for a number of years, and I felt when I was submitting a vote to the house on the estimates I did not want to ask for a greater amount with this limitation in the act.

Mr. BENNETT: That is taken out of the present act.

Mr. RALSTON: Yes. The third point is in regard to the terms of admission. Under the old statute a board of examiners was appointed by the governor in council in each military district. For some years it was felt unnecessary to have a board of examiners in each military district, and what was done was to constitute a board in Ottawa composed of professors from the Royal Military College and other educational authorities and have applicants for admission send to that board their certificates from the various educational institutions in the provinces. The qualifications were not always uniform because the educational systems in the provinces were not uniform, and it was felt that when you were giving an opportunity to the different provinces to send in students you should have regard to the educational opportunities provided in these provinces and arrange the qualifications of students from those provinces accordingly, rather than setting up one arbitrary board under the act which board would determine the qualifications without respect to those conditions. This act provides that the regulations for admission shall be made by the governor in council. I do not think that in principle any different from the provisions of the old act, which were that a board of examiners should be appointed by the governor in council, and that the government should have the power of selecting from the names submitted by the board those who were to be accepted. My hon. friend mentions the clause which provides that the minister shall have the administration and management. I want to draw his attention to the fact that the minister is mentioned in two sections of the old act, and it of course has been the practice that the minister should manage the institution. This is just making it definite as under the act it looked as if the commandant of the Royal Military College might be in control. It was felt that it should be definitely under a department of the government and that is why this provision appears.

Mr. McGIBBON: Could the minister tell us the minimum qualifications with regard to age and so on?

Mr. RALSTON: I think it is sixteen up to nineteen, and the academic qualifications—

Mr. BENNETT: They shall not be under fifteen or over twenty.

Mr. RALSTON: I think it is sixteen and nineteen, and the educational qualifications have to do with the certain standards in the various provinces. I am afraid I cannot give them to my hon. friend off hand.

Mr. EDWARDS (Frontenac): I think roughly speaking it is equivalent to arts matriculation.

Mr. RALSTON: I think so, speaking generally.

Mr. ADSHEAD: Do I understand that the method of control now proposed is virtually the same as it was under the old act which

gave certain authority to the governor in council, except that civilians employed are to be under the Civil Service Act whereas they were not under that act before?

Mr. RALSTON: I think I can make that general statement—yes. Under the old act there was a limitation placed upon the number of students and the amount to be paid to the staff. That has been cut out but the practice is the same as has existed in the department for a good many years.

Mr. BENNETT: I think, with all deference, that the minister has somewhat confused the position we have taken. With respect to fundamental principles parliament should govern. With respect to the government of the institution, dependent upon changed conditions from day to day, it is obvious regulations must be made and they are made by the governor in council, but parliament should not be shorn of its authority with respect to essential matters which essential matters, Mr. Mackenzie, when he introduced the bill creating the Royal Military College over fifty years ago, provided for. But in 1876 these matters were thought unimportant from an educational standpoint. There were limitatations which he thought important. One was the limitation of the number of students and parliament has maintained that, although it may be that with the growth of the country the number should be increased.

Mr. RALSTON: I think my hon. friend will agree with me that it will be exceedingly bad practice to attempt to include in the consolidation of the statutes amendments such as these, and it would be far better to come to parliament and say what the amendments are.

Mr. BENNETT: My hon. friend knows perfectly well that I would agree with him with respect to that, but I am complaining that a revision should be proclaimed on the first day of February, and that before the revision became effective legislation had been prepared which rendered five or six sections of the revised statutes of no value. This is not a revision; this is the substitution of an old act for a new one. The original act has been on the statute book since the establishment of the institution. Section 15 reads:

> A sum not exceeding the rate of three hundred dollars per annum, and such allowances as are, from time to time, authorized by the governor in council, may be paid for each cadet during such period as he remains at the college, to meet the ordinary expenses of living, and the procuring of uniform.

And added to that is section 7:

> That the money spent for salaries, pay and allowances, shall not exceed the total sum of $60,000. Details of such salaries shall appear in the annual report laid before parliament by the minister.

Mr. RALSTON: What is the section the hon. member is reading?

Mr. BENNETT: I am reading from the revision of 1927. Section 15 was the one I first read, and then section 7. Then follows this, and I regard it as being so important for reasons that I have had occasion to point out to the minister more than once. Section 11 of the old act provides:

> The number of cadets in attendance at any one time shall not exceed one hundred and twenty.
>
> 2. The term for which they shall be admitted shall not exceed four years.
>
> 3. They shall be selected by the governor in council from the list of names forwarded by the board of examiners in the order of merit in which they pass their preliminary examination.

Whatever else may be said, since 1876 down to 1927 there was no opportunity for what might be called political influence determining the type of men who should attend that college, because it was provided they should be selected in the order of merit in which they passed their preliminary examination. I regard that to be essential with respect to this one single institution of an educational character that is maintained by the Dominion. There are those who believe its curriculum should be extended, that it should undertake scientific education in a broader sense than now prevails. I have just sent out to obtain a copy of the Christmas number of the college magazine in which appear two articles, one by a former graduate who served with distinction during the war, and the other by a professor of the institution in reply. But that single subsection, I say to the minister during many years' observation I have found to be the most powerful influence for the purpose of controlling the type and character of the men who went to the institution to be found in any of our statutes, namely, that those cadets should be selected in the order of merit in which they passed their preliminary examination. Where is that in the bill?

Mr. RALSTON: I have said to my hon. friend that I do not think the practice of having provincial boards has been observed for quite a number of years. I do not know what he means by saying that he has observed it to be very essential and beneficial. As I said before, the central board of examiners have made the selection.

Mr. BENNETT: I do not think my friend the minister has caught the point. There is a provision for a board of examiners in section 8 of the old act. They shall transmit to the department a report of the names of all candidates who succeed in obtaining certificates, for the information of the governor in council, with a report of each meeting. Then follow the conditions of entry, and it is provided by subsection 3 of section 11 that they shall be selected by the governor in council from the list of names forwarded by the board of examiners in the order of merit in which they pass their preliminary examination. The governor in council may delegate that power to a general board or to the adjutant general but the statutory provision is imperative:

They shall be selected in the order of merit in which they pass their preliminary examination.

During the long years in which the Liberal government had control of this institution, because of the merit of many young men not of that faith they were able to get into the institution, for they had merit. This bill wipes that out, and I do ask the minister to return to the statute that provision which made merit the condition of entry to the institution, not political influence. That is the position I take in respect to it.

Mr. RALSTON: That expression is what I object to. I thought my hon. friend disavowed any idea of there being political influence.

Mr. BENNETT: I want to prevent it.

Mr. RALSTON: If anyone wants to be diabolical enough to keep a young man out of the Royal Military College because of his politics, it can be quite easily done under the present statute by the selection of such a board of examiners—

Mr. BENNETT: Oh no.

Mr. RALSTON: I hope my hon. friend does not believe that that situation could exist.

Mr. BENNETT: I saw it tried once.

Mr. RALSTON: Under the present act.

Mr. BENNETT: But it did not succeed because of that statute.

Mr. RALSTON: I say to my hon. friend that if anybody could be black-hearted enough to desire to keep out a young man because of his political faith, he could do so by the selection of a board of examiners of a certain stripe.

[Mr. Ralston.]

Mr. BENNETT: No, the candidates for admission have papers sent them. My hon. friend does not mean that seriously?

Mr. RALSTON: I mean it as seriously as my hon. friend means that the governor in council would deliberately pass over a young man, certified by the board of examiners as having reached the required standard of merit, and say to him: We cannot take you even though you have that standing.

Mr. BENNETT: My hon. friend understands that what we seek is to put it out of their power to do so.

Mr. RALSTON: I say you put it out of their power just as effectually by reason of the fact that the board of examiners have all the say as to the order in which the candidates shall be placed; they are the ones who say what merit rating the candidate shall have. If they fix a certain order of merit, then the governor in council will automatically select the candidates so certified.

Mr. BENNETT: That is not what it says. I am—

Mr. RALSTON: My hon. friend will permit me. The provision to which he is referring is that the candidates who have been certified by the board of examiners shall be selected by the governor in council in the order of merit in which they passed their preliminary examination. I say that if anyone was so black-hearted as to want to shut out a young man from the institution, all he would need to do would be to have the board of examiners report the candidates in the order of merit that he desired.

Mr. BENNETT: Surely my hon. friend does not mean that. Conditions may be bad, but you cannot get a board of examiners like that.

Mr. RALSTON: My hon. friend is implying that we can get a governor in council black-hearted enough to do that sort of thing.

Mr. BENNETT: No, my hon. friend is overlooking this fact. Parliament, under Alexander Mackenzie, who took very great pride in founding the Royal Military College, thought it was highly desirable to have inserted in the statute a provision that would ensure against the very conditions I have referred to. It may be as my friend says, that it is not necessary to invoke that provision, but when it is there is it not a deterrent, is it not a valuable safeguard?

Mr. EDWARDS (Frontenac): And Alexander Mackenzie did not imply by it any lack of confidence in his own integrity or that of his government.

Mr. BENNETT: Quite so. I do suggest to my hon. friend that it is highly desirable to retain that safeguard in the public interest, to prevent any effort being made to secure entrance other than on the standard of merit provided by the statute.

Mr. RALSTON: The only way such an effort could be made would be for the governor in council deliberately to pass over the young man who is shown to be higher on the list than another young man.

Mr. BENNETT: It is not the governor in council, it is the minister who would act.

Mr. RALSTON: I beg my hon. friend's pardon.

Mr. BENNETT: My hon. friend has overlooked the fact that this institution by subsection 2 of section 2 of this bill is to be under the direction and management of the Minister of National Defence.

Mr. RALSTON: My hon. friend has overlooked the provision that the number of cadets in attendance at the college and the conditions of entry shall be as from time to time authorized by the governor in council.

Mr. BENNETT: Quite so. But there is no provision such as was in the old statute regarding the meritorious marks of candidates for entry, and it is because of that provision that this institution has for so many years been so free from what might be called the difficulties and the baneful influences of politics. I recall in the days of my youth when going down to New Brunswick at Christmas always seeing upon the train large numbers of young men, cadets from Kingston, on their way home, and although a Liberal government was in power at Ottawa, the application of that section for selection by the governor in council of cadets from the list of names forwarded by the board of examiners, in the order of merit in which they passed their preliminary examination, ensured that the lists from every part of Canada determined the selection. Hence it was that those lists were hung out from year to year, and the person at the top of the list knew he was going to be able to get into the Royal Military College, because a uniform examination, as my hon. friend will recall, was ultimately fixed in every province. It made no difference how luxurious might be the surroundings of the youth or how wealthy might be his home, he was perfectly certain he could not get into the college if his marking was 50 and there were a dozen men ahead of him with 70. I think the provision that Alexander Mackenzie put in the statute fifty years ago my hon. friend will be well advised to retain in this bill. In addition there is the other point I advanced, that regulations must always be made—he and I will agree about this—to give effect to a principle that parliament determines, but parliament must not leave it to the governor in council to determine fundamental matters with respect to legislation.

Mr. RALSTON: I tried to convey to my hon. friend that I did not see any real deterrent if anyone were really determined to rob a young man of his rightful place according to merit, either under the old act or under the new. We are entirely agreed on the principle, and my suggestion is that if there is any object in having an express provision, I might undertake to have in the regulations a clause for selection on merit. Would that meet my hon. friend's views?

Mr. GUTHRIE: Is there any sound objection to putting it in the act?

Mr. RALSTON: I do not think so.

Mr. GUTHRIE: That would settle the difficulty.

Mr. RALSTON: Except that we are providing that all administration shall be a matter of regulation.

Mr. BENNETT: This is more than a question of administration.

Mr. GUTHRIE: It is fundamental. To make it statutory would answer many objections that might be raised. We have confidence in the present minister who is at the head of the defence department; but he may not occupy that position very long. In fact, rumour has it that the minister will hold much higher positions in the service of the country. Suppose, then, he were supplanted and the Postmaster General took his place; we might not have the same confidence in him.

Mr. EDWARDS (Frontenac): God forbid.

Mr. ROSS (Kingston): Is not the principle which is at the moment being advocated the principle that is in force and has been recognized?

Mr. RALSTON: Certainly.

Mr. ROSS (Kingston): That is to say, every student entering the college is selected according to his standing, which is indicated by the Department of Education. The selec-

tion is made on the basis of matriculation, and the marks are reported by the Department of Education and adopted as the standard. I do not see any objection to this principle being adopted, although I hardly think it could be followed 100 per cent. For example, a student might apply for admission to the college and, while having a very high standing in classics, he might be very low in mathematics. In that event he would be a total failure in that institution. I believe the board does select those students who are most suited to the line of work followed in the institution, but they make their selection on the basis of the student's mathematical proficiency. I see no objection to embodying in the statute a provision along this line. I do foresee, however, some friction in the case of a student having, as I say, a high standing in classics and a low standing in mathematics, because the natural inclination would be to select those who had the best standing in the latter branch of studies. The choice of students depends upon merit, and I believe that in the large percentage of cases this principle is followed.

As regards the limitation of the number of students admitted, I think the minister would be well advised to withdraw any provision in this direction. The number of students entering the college depends very largely upon the severity of the examination, and the examinations in institutions of this nature are quite severe; so that between 15 and 20 per cent of the students naturally fail. One year you might have a class exceptionally high in mathematics and allied subjects, while another year the class might be low in this respect. The result is that the percentage of failures varies: more students fall out one year than another. The tendency is to increase the number of applicants coming in each year in the fourth year, which as we understand it is really the first year, and I think the minister is wise in what he proposes in this regard.

Mr. EDWARDS (Frontenac): In this matter standards are fixed and always have been fixed by educational institutions such as our universities, and these standards have to be met by those who desire to enter. In Ontario and Quebec, and in fact in all the provinces, the standard generally is covered by the word "matriculation", and those who are capable of passing the matriculation examination have the right to enter these institutions of learning. There is practically no restriction so far as numbers are concerned. When the act was first passed a limitation was set upon the number of students who might attend the Royal Military College, and it was because of that limitation that the Hon. Mr. Mackenzie introduced that particular section providing for the manner in which the limited number should be selected. But because the Mackenzie government incorporated in the act the stipulation that the students who passed the examination for entrance to the Royal Military College should be selected in order of their merit, as indicated by their marks, is no reason why one should infer that Mr. Mackenzie lacked confidence in the integrity and honesty of his own government and of himself. He made that provision because he saw that where the number of students was limited, and so long as it was limited, there must be some other standard of selection than the mere passing of an examination. In making the selection of those who might enter the institution, if the allotted number were not exceeded, the order of merit made no difference. But if the number who passed the examination, some with high and others with low marks, exceeded 120 or whatever the prescribed number might be, then the students who were chosen would be selected from the best as indicated by their percentages in the examination. What possible objection could there be to such a rule? What objection could there be to putting it in the act? No better means could be devised of selecting the students, and under that system the college has certainly done remarkably well in the past. It has made a record not only in Canada but throughout the world; it has become famous. And since my first entry into this house it has always been a matter of satisfaction to me to observe the manner in which estimates in connection with the Royal Military College have been received by members, irrespective of party or of the government in power. The representatives of the people in this house have at all times, at least in the last twenty years, shown by their willingness to vote money for the institution the confidence which they have in its efficiency. That I think is partly due to the sense of fair play: that where, say, 150 pass an examination and only 120 can be selected, the principle shall be followed of making the selection according to the marks obtained in examination. That is a wise safeguard, and it is just and fair. Nor does it in any sense, in my opinion, reflect upon the integrity of the governor in council or of the minister.

Mr. RALSTON: I presume that this section was intended to provide that, if the board of examiners for Nova Scotia, let us

say, submitted a list of names, then the governor in council, so far as the students from that province were concerned, should select from the highest. That is to say, the privilege must be allotted to the various provinces.

Mr. BENNETT: According to the quota.

Mr. RALSTON: Yes. As I have said, we do not have separate boards for each province, but the qualifications are based on matriculation examinations for various universities in the provinces, and it is a little difficult to see just how we could work out a provision of that kind having regard to the fact that you might not have them in order of merit so far as passing any standard examination is concerned. I wonder if my hon. friend would accept this suggestion, simply an undertaking on my part, that I will see to it that a provision is placed in the regulations to the effect that merit shall govern in the selection of candidates.

Mr. BENNETT: If my hon. friend were to continue to be minister in perpetuity I would be quite satisfied, but unfortunately an order in council passed to-day may be rescinded to-morrow, as we all know, and under these circumstances I submit that the minister would be well advised to think the matter over and see if he cannot provide in the statute itself that merit shall be the determining factor. Perhaps before the bill comes out of committee he may be able to think it ought from that angle, not because I have the least suspicion in the world that he would not continue to do it by regulation, but because the frailties and weaknesses of human nature are not unknown to him as well as to all of us who are engaged in political warfare. While I do not think the government would be likely to repeal such a provision, they might find some palpable or apparent excuse or reason for so doing, to cover up some such real reason as I have suggested. I hope the minister will think it over, and perhaps we can discuss the matter further in private.

Mr. RALSTON: I can only say with regard to myself that "I fear the lady doth protest too much" with regard to my probity. I thought that suggestion might be acceptable, because after all I know my hon. friend believes I am sincere in the undertaking and that the government would see that that undertaking was carried out. I do not think any government would be well advised to strike out such a provision if put in a regulation in view of the discussion we have just had. I can assure my hon. friend that I believe this is the most workable way of doing it; I think it will appeal to him as a lawyer as the best way to preserve this principle, if he wants it preserved in black and white. The principle is preserved in practice and will be preserved whether it is in the statute, the regulation, or left unwritten.

Mr. ROSS (Kingston): May I ask another question? What does the word "civilian" refer to in section 4? Does it mean the substaff, the employees of the institution, or the higher staff?

Mr. RALSTON: As I understand it, that has to do as well with the professional staff, everyone not on the military staff. We are not discussing that section yet, but perhaps since we are going all over the bill we might as well deal with it now.

Mr. ADSHEAD: Do I understand the minister to say that he is going to insert in the regulations, if not in the statute, a provision that merit shall be the predominant factor for entrance to the college? If so, I think he is well advised.

Mr. RALSTON: I will be glad to do that, and I will consult further with my hon. friend about it.

Section agreed to.

On section 2—Name.

Mr. EDWARDS (Frontenac): Why not say that the college shall be located where it is at present?

Mr. RALSTON: I would not think of locating it in Halifax, for the present, and that is as far as I can go.

Mr. ROSS (Kingston): I do not suppose the situation of the college will ever be changed, but at present the section reads "situated in a garrison town" or words to that effect, and of course it is not situated in a garrison town.

Mr. BENNETT: Under the old act the words "permanent force" were defined, and the words "garrison town" had a meaning which they have not now.

Mr. GEARY: Why not distinctly say "in the city of Kingston"?

Mr. ROSS (Kingston): I would be glad to have that, but it is not in the city of Kingston.

Mr. EDWARDS (Frontenac): We have the honour of having the college in the constituency of Frontenac-Addington, which is not exactly a garrison town.

Mr. GEARY: Well, if it is not in Kingston I do not want it put there.

Mr. EDWARDS (Frontenac): We can cover it exactly by saying "near Barriefield, in the township of Pittsburg, in the county of Frontenac."

Sir EUGENE FISET: I do not think the college is located in accordance with this present act, because I do not believe it is situated in a garrison town.

Mr. RALSTON: We have some of the R.C.H.A. there. I am quite satisfied to say "at or near".

Mr. EDWARDS (Frontenac): I think we should amend it by adding the words "or near" after the word "in", to make it read "in or near some one of the garrison towns. . ."

Mr. RALSTON: That would cover it.

Section as amended agreed to.

Section 3 agreed to.

On section 4—Staff

Mr. GEARY: The hon. member for Kingston (Mr. Ross) drew attention to the use of the word "civilian". Subsection 1 divides the establishment into military and civil sections; subsection 2 deals with the military side of the establishment while subsection 3 deals with the civilian side. Some of the professors at the Royal Military College are not soldiers, so far as I know; I believe there are civilian professors at that institution. Do they come under subsection 3? They are not officers, and they are on the civil side of the establishment.

Mr. RALSTON: As I understand it, they come under subsection 3.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Number of cadets.

Mr. BENNETT: This section might stand. I should like to discuss it with some of my friends who are more familiar with this phase of the matter than I am.

Section stands.

Section 8 agreed to.

On section 9—Supplies by cadets.

Mr. BENNETT: I understand at present there is a limit as to the cost to each cadet, is there not?

Mr. RALSTON: Yes.

[Mr. J. W. Edwards.]

Mr. BENNETT: That is perhaps one of the reasons that men of great merit without much money have sometimes been attracted to that institution. This clause as it reads would preclude a continuance of that condition. Is that correct?

Mr. RALSTON: Except that section 15 of the old act states: "a sum not exceeding the rate of $300 per annum," and such allowances as are granted from time to time.

Mr. BENNETT: But those are allowances. The hon. member for Rimouski (Sir Eugene Fiset) is perhaps more familiar with this matter than any other hon. member. The usual cost was $300, plus a monthly sum that ran from $10 to $25. Is that about correct?

Sir EUGENE FISET: Yes.

Mr. BENNETT: This clause as it now stands would make it possible to raise the price of education at that institution to the same figure as obtains, for instance, in the university of Toronto or any of the larger universities, and it might run up to $1,000 per annum.

Sir EUGENE FISET: It might under this clause.

Mr. BENNETT: Is it not desirable to continue the idea that was in the minds of the framers of the act establishing this institution? As clause 1 states, the institution is designed for a special purpose, namely, to train men in a particular class of work, and the idea was to attract to the institution men of known, demonstrated merit, to receive education at a very low cost. I know that at the present moment—and my hon. friend will recall a circumstance of last fall in that connection—a man of limited means, who is of very great ability, is finding in that institution an education which he otherwise could not get.

Mr. RALSTON: The matter is, of course, one for the house. It would mean a commitment of the country perhaps greater than the commitment at the time the act was passed, because $300 meant a good deal more then than it does now. The payments which are made are still continued at $300 a year, except for the first year when there is an extra $250 for outfit.

Mr. BENNETT: Under that very section?

Mr. RALSTON: No. That has been the practice.

Mr. BENNETT: But the section states $300 plus allowance for uniform.

Mr. RALSTON: Has my hon. friend any suggestion in that respect? It seems to me that it might not be well to limit the amount to $300.

Mr. BENNETT: That is the matter I desire the minister to think of. Obviously it is not for a private member to judge what the amount should be. I was thinking the minister might have some idea of what would be an adequate and a proper figure under the circumstances.

Mr. RALSTON: I wanted to find out from my hon. friend if he was suggesting the retention of that exact sum?

Mr. BENNETT: No.

Mr. RALSTON: Or a definite amount?

Mr. BENNETT: A definite amount and the retention of the spirit of the section.

Mr. McGIBBON: What is the average cost per annum?

Mr. RALSTON: $1,681. That is exclusive of capital.

Mr. McGIBBON: Is that the average cost to the pupil or to the country?

Mr. RALSTON: To the country.

Mr. McGIBBON: What is the cost to the pupil?

Mr. RALSTON: $1,450 for four years: the first year $550 and the next three years $300 each. The cost to the country is $1,681 per annum.

Section stands.

Section 10 agreed to.

Mr. RALSTON: Will the leader of the opposition consider now, if he can, the effect of subsection 2 of section 3, which is that these regulations, in which I am intending to insert a provision making merit the factor, are published in the Canada Gazette and have the force of law, so that due publicity is given to them? This is not a question of an order in council which may be stuck away on a file somewhere. Possibly my hon. friend will consider that as fulfilling the idea he has in mind.

Mr. BENNETT: That is why I said that if my hon. friend would permit the bill to stand, I thought perhaps a dozen words of conversation with him would make clear what I have in mind rather than that I should say it here. What he suggests may be the basis on which we can arrive at a definite conclusion.

Progress reported.

56103—23½

RAILWAY BELT WATER ACT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 20, to amend the Railway Belt Water Act.

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

On section 1—Short title.

Mr. STEWART (Edmonton): As I pointed out the other day when this bill was introduced, last year this amendment was passed by the Senate, where it was introduced, and it arrived in this house too late to be considered, chiefly owing to the fact that some interested members from British Columbia were not present when the bill came up for consideration. The purpose of the bill is briefly to suspend section 11 and to repeal section 12 of the act. In British Columbia the federal government control the railway belt and the Peace River block and they have the administration of the natural resources in that territory in British Columbia. The British Columbia legislature passed a water act for the governance of the supplies of water under provincial jurisdiction and the federal government adopted the provincial bill. The water rights in the federal belt were administered by the provincial bill. The water rights in the federal belt were administered by the provincial authorities under the control of a minister of the provincial government. In 1924 they consolidated their act and in 1926 we sought to bring our water rights act into conformity with the British Columbia act. Some difficulties arose when we were bringing our act into conformity with theirs with regard to certain Indian rights under the Indian department, over which I have control, and the question arose as to whether the rights of riparian owners were sufficiently safeguarded. We therefore inserted in our bill, in addition to the sections of the British Columbia bill, sections 11 and 12, which provided that in certain cases specified in section 11, before the actual confirmation of the license by the provincial authorities could take place there must be consent by the Minister of the Interior. This was very much resented by the department in British Columbia, and for a time there was a complete cessation of the issue of permits, because, they said, the control was wrested from them and retained by the Minister of the Interior. After careful consideration I came to the conclusion that it was not

worth while to have this controversy go on because interested parties were suffering in consequence, and I agreed last year to the introduction of a bill, which was introduced in the Senate, not repealing section 11 in its entirety but suspending its operation until it might be required, when it could be put in force by order in council as set out in the bill.

So far as section 12 is concerned, we have decided that the rights of the riparian owners are safeguarded by section 4 of the act itself, and that there is no real necessity for its retention.

Mr. FRASER: I am pleased indeed to hear the explanation of the minister. When his amendments were introduced in 1926 I made some objection, but at the present time what I am interested in is to know if under the present amendments any rights held by the users of water in the railway belt are affected in any shape or form, and also whether under the amendment made in 1926 any rights have been acquired which could not have been acquired without the consent of British Columbia. Those are the two principal points I would like cleared up. I might point out to the minister, as I did when this matter was up before, that you might as well give a man a piece of land on the top of mount Everest as to give him land in the railway belt without water, for without water the land is of no use in many parts of that belt. I should like to be assured, therefore, that the rights of the users of water in the railway belt of British Columbia will not be interfered with.

I was not aware until now that this legislation was the result of a little family quarrel. Apparently the Minister of the Interior and the Minister of Lands in the province of British Columbia have had a little jar between themselves. We quite understand our Minister of Lands out in British Columbia, and I am glad to see that the Minister of the Interior has felt a little touch of Mr. Pattullo's temper in connection with this matter.

Mr. STEWART (Edmonton): I wish to assure the hon. member that the suggestion of section 11 in the first place was merely on account of what we thought was a somewhat arbitrary action in connection with one particular license. I think that difficulty has been straightened out. So far as the administration is concerned we are in complete conformity with the Water Belt Acts of the province itself, but we are retaining the right so that if at any future time we need to exercise it for the protection of any individuals who live in the water belt, it may be done. The two acts are now in complete conformity. The administration had really ceased until I agreed that I would introduce these amendments. Then it went on as usual, and is now going on as it had been previously. I had no authority to issue any permit. I simply took the authority, as my hon. friend will notice by section 11, to refuse to acquiesce in case of a formal protest, and by so doing I held up the issue of the permit.

Mr. FRASER: There have been no changes, then?

Mr. STEWART (Edmonton): No.

Mr. TOLMIE: I understand from the speech from the throne that these lands are soon to be transferred to British Columbia. Are not these the lands that the speech refers to?

Mr. STEWART (Edmonton): Quite true.

Mr. TOLMIE: If they are going to be transferred, why change the act, because then the lands will be under provincial jurisdiction?

Mr. STEWART (Edmonton): In the light of my experience with the Alberta resources, I think it might be well to have this provision. Of course, if the lands were transferred there would be no necessity for the Dominion government to act at all.

Section agreed to.

Section 2 agreed to.

On section 3—Repeal.

Mr. BENNETT: Why should section 12 be repealed? It protects only the domestic water.

Mr. STEWART (Edmonton): If my hon. friend will look at section 4 he will see that the rights of the riparian owners are amply protected. Section 4 says:

> No grant made after the sixth day of June, one thousand nine hundred and thirteen, by the crown of lands in the railway belt, or of any interest therein, shall vest in the grantee any exclusive or other right, title or privilege in, to or in respect of any watercourse, or in, to or in respect of the bed or shores of any watercourse, unless and except in so far as any right, title or privilege to the bed or shores of any watercourse is expressly set out and described in such grant, saving the right of every riparian proprietor to the use of water for domestic purposes.

That clause gives him ample protection.

Section agreed to.

Bill reported, read the third time and passed.

GOLD AND SILVER MARKING ACT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved the second reading of Bill No. 21 to amend the Gold and Silver Marking Act.

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

On section 1—Title of act changed.

Mr. MALCOLM: There are just three changes in the act. The first is the inclusion of platinum as a precious metal. That requires a change in the title of the act. The second is to give to the governor in council power to make regulations as to the quality and quantity of precious metal to be used in what shall be termed plated, metal filled, gold-fiilled or silver-filled articles, to get away from some of the cheap, spurious articles that are sold. This measure will permit the governor in council to make regulations covering the thickness and weight of this rolled metal. The third amendment is to provide that the trade mark of the manufacturer shall be stamped on all his goods. That prohibits him from importing contract goods and selling them as the genuine article.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Platinum to be applied only to certain articles.

Mr. MALCOLM: Any article marked platinum shall be 95 per cent platinum and not more than 5 per cent iridium.

Mr. BENNETT: Why not provide that the act shall not come into force until a certain date, so that those who have stock on hand may be permitted to dispose of it?

Mr. MALCOLM: There will be a discussion shortly with those interested in various trades as to regulations, and when the regulations are satisfactorily adjusted that matter will be attended to.

Mr. BENNETT: But the bill comes into force when it is assented to, and I suggest that it come into force on the first day of July, 1928, or some other suitable date, so that everyone will have notice and will be able to deal with the situation.

Mr. MALCOLM: I will amend the bill on the third reading.

Mr. BENNETT: Better leave the bill in committee, so that we can deal with it in committee.

Progress reported.

PUBLIC PRINTING AND STATIONERY

AMENDMENT OF ACT RESPECTING ADVANCES TO THE KING'S PRINTER

Hon. FERNAND RINFRET (Secretary of State) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Public Printing and Stationery Act in relation to advances authorized to be made to the king's printer for the purchase of materials, to execute orders and requisitions and payment of wages, and to provide that the total amount of such advances shall at no time exceed the sum of seven hundred thousand dollars or such sum as may hereafter be determined, from time to time, by the governor in council.

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

Mr. BENNETT: What is it about?

Mr. RINFRET: The purpose of this resolution, Mr. Chairman, and of the bill that will follow it, is to provide the king's printer with the working capital necessary to enable him to carry out the responsibility imposed upon him by the statute. As hon. gentlemen are aware, the king's printer has to execute printing of all kinds required by the houses of parliament and by every branch of the service of the government of Canada, and has to provide all stationery and office appliances required by the houses of parliament and the various branches of the service. He has to edit the Canada Gazette, and has to be the distributing agent of the various departments for their respective publications, and to be the exclusive sales agent of all the official publications. He has to audit the accounts for all advertising undertaken on behalf of the departments of the government. Under the terms of the statute the Minister of Finance authorizes advances to the king's printer, and the king's printer remits to the receiver general all moneys received for services rendered by the department. The king's printer necessarily carries an extensive and varied assortment of paper and other printing and binding supplies, estimated to average in value approximately $350,000, and a stock of goods classed generally as stationery and office supplies estimated to average in value approximately $150,000; and that amount increases with the large increase in the work of the different departments.

Mr. BENNETT: The minister wants $700,000?

Mr. RINFRET: The amount required for printing and binding is $350,000. Funds must be provided, therefore, first for the maintenance of this permanent stock, the details

of which are of course continually changing, and also for meeting contingent expenditure arising between the date of service rendered and receipt of payments due on account of same. Section 38 of the statute as it stands provides that the Minister of Finance may authorize the advance to the king's printer of a sum not to exceed $200,000, but for many years, as far as my information goes, and for last year, as I know personally, having been in charge of the department, the amount advanced to the king's printer has much exceeded the amount provided by the statute. Two causes have combined to render this sum insufficient properly to meet the king's printer's present necessities. The first is a very large increase in all branches of the activities of the department and the second is the change in money values, which necessarily has its influence upon the wages of the different employees of the printing bureau and the general expenditure connected with it. Therefore it is proposed by this resolution and the bill which will follow to increase the amount which is provided by the statute from $200,000 to $700,000. As I have explained, this is not an expenditure at all; it is merely a readjustment. In past years the auditor general has brought to our attention the fact that we were exceeding the terms of the statute. There was some confusion as to the meaning of it. The statute said that the advance should not at any time exceed $200,000; I believe the intention of it was very clearly to say that it should not exceed cumulatively that amount, but it was interpreted for the sake of carrying on as if no one advance should exceed $200,000. We find that we cannot carry on the printing work with that rather small amount, and therefore we propose now to bring the working of the printing bureau into clearer harmony with the spirit of the statute by providing that the Department of Finance will be authorized to make advances to the amount of $700,000. As I have said, to-day we carry a stock in excess of $500,000, and it is likely to increase with the years to come. So we want to provide for the future, and thus meet the wishes of the leader of the opposition that parliament should not be called upon to amend statutes all the time.

The other part of the resolution providing that from time to time the sum may be determined by the governor in council is to cover this contingency. In 1926, although the session was very much prolonged the estimates could not be voted, and the printing bureau found it very hard to carry on, even had it been possible to be advanced the amount now provided for by the resolution.

[Mr. Rinfret.]

As I have explained, this legislation will not have the effect of increasing our expenditure in the printing bureau; it will merely put an end to the somewhat confused interpretation of the statute that has obtained in the past, and bring its workings into clearer harmony with the spirit of the statute.

Mr. ADSHEAD: I presume that other departments are charged for the work done by the printing bureau and the bureau credited accordingly.

Mr. RINFRET: Yes.

Mr. ADSHEAD: How much credit has been given to the printing bureau for such work?

Mr. RINFRET: My hon. friend will observe in the estimates that parliament votes to every department a certain amount of money for stationery and printing. The departments pay that money to the printing bureau, and at once it is turned over to the receiver general.

Mr. ADSHEAD: Then the printing bureau itself is very nearly self-sustaining?

Mr. RINFRET: Absolutely so.

Mr. BENNETT: There is only one difficulty about it, and that is the alternative suggestion that the amount may exceed $700,000. This, added to the provision in the statute, might just as well eliminate the limitation of $700,000 entirely, because the resolution reads:

—such advances shall at no time exceed the sum of seven hundred thousand dollars, or such sum as may hereafter be determined from time to time by the governor in council.

So all this resolution does is to give a blanket power to the extent of two or three million dollars any time they want to exercise it, and the $700,000 is what my hon. friend the Minister of Railways would describe as a joke. That is the real effect of the resolution as it reads.

Mr. RINFRET: We expect most confidently that we shall never require the amount, but we want to provide for such a contingency as that which arose in 1926. Personally I do not think that contingency will ever recur, for I believe this government will always have such a strong majority in the years to come that we shall never see a repetition of the session of 1926.

Mr. BENNETT: You were beaten that session.

Mr. RINFRET: Perhaps my hon. friend would consent to the resolution passing, and when the bill is in committee I shall be only too pleased to give consideration to his remarks.

Mr. BENNETT: I desire the minister to understand that I quite appreciate the necessity for the department having working capital, but no resolution should be adopted by this house that with one line imposes a limitation and with the next line removes it. The resolution says that the limitation of the working capital shall be $700,000—that is one line; the next line says "or such sum as the governor in council may authorize"—which may be two million dollars. I am quite content to accept the minister's suggestion, but surely he is not going to frame a bill which in one section imposes a limitation and in another removes it.

Mr. RINFRET: I do not agree with my hon. friend. We are not imposing a limitation, rather we are increasing the former limitation. There would be less excuse for the government to make use of the last lines of this resolution and increase the limitation placed on the working capital.

Mr. BENNETT: But with the last lines there there is no limitation at all.

Mr. RINFRET: I will not insist on that last provision.

Mr. BENNETT: I thought not.

Mr. RINFRET: But really I cannot see it the way my hon. friend puts it. The intention of the government is to increase the limitation to $700,000, and it is only in exceptional cases that the government would take the responsibility of exceeding it. There would have to be good reasons for doing so.

Mr. BENNETT: The resolution should end at "seven hundred thousand dollars," if what my hon. friend says is his intention. However, we can discuss that when the bill comes up, I do not wish to waste the time of the house now.

Resolution reported, read the second time and concurred in. Mr. Rinfret thereupon moved for leave to introduce Bill No. 33, to amend the Public Printing and Stationery Act.

Motion agreed to and bill read the first time.

NATIONAL BATTLEFIELDS COMMISSION

AUTHORIZATION OF ANNUAL GRANT OF $75,000

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That the Minister of Finance be authorized to pay to the National Battlefields Commission the sum of seventy-five thousand dollars a year for a period not exceeding ten years from the first day of April, 1928, to be expended by the commission for the purposes of and subject to the provisions of the act respecting the national battlefields at Quebec.

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

Mr. BENNETT: The minister might give us an explanation of this.

Mr. ROBB: The National Battlefields Commission was created by act of parliament some years ago and since 1912 they have been receiving various sums annually.

Mr. BENNETT: What have they been getting from 1912 up?

Mr. ROBB: In 1912-13 they received $116,500; in 1913-14, $145,000; in 1914-15, $143,000; in 1915-16, $118,000. The grant dropped during the years of the war and last year they received $75,000. It has been represented to us that they would get along better if they knew every year just what they would receive, so that they might make their plans accordingly. They have made some arrangements regarding the Quebec battlefields. These will be enlarged and some new walks put in. The members of the battlefields commission are: Sir George Garneau, LL.D., Quebec; Hon. A. Turgeon, C.V.O., C.M.G., Quebec; Robert Bickerdike, Esq., Montreal; Hon. Senator T. Chapais, Quebec; N. A. Dussault, Esq., M.D., Quebec; Hon. Wm. H. Price, Toronto; Hon. L. A. Taschereau, Quebec, and Dr. A. G. Doughty, Ottawa.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 34, respecting the National Battlefields at Quebec.

Motion agreed to and bill read the first time.

LOAN OF $500,000,000

REDEMPTION OF LOANS AND PURCHASE OF UNMATURED SECURITIES

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

Resolved, that the governor in council be authorized to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act such sum or sums of money as may be required, not to exceed in the whole the sum of five hundred million dollars, for paying or redeeming the whole or any portion of loans or obligations of Canada and for purchasing and withdrawing from circulation unmatured securities of Canada; the principal and interest to be charged upon and payable out of the consolidated revenue fund.

Mr. BENNETT: Explanation, please; we do not want to agree to the principle of it.

Mr. ROBB: The government have maturing in 1933 $446,000,000 odd and in 1934 $535,000,000 odd; between those dates we have other and smaller maturities.

Mr. BENNETT: Can you give the amounts?

Mr. ROBB: We have:

In 1928..	$53,000,000
1929..	60,000,000
1930..	65,000,000
1931..	77,000,000
1932..	73,000,000

I have given the round numbers. The leader of the opposition especially knows that these maturities carry a rather high rate of interest.

Mr. BENNETT: Some are tax-exempt.

Mr. ROBB: We expect, if the revenues are maintained and we practise reasonable economy, to retire part, through cash, and our hope is all, of the maturities, up to 1933. Money is cheap in the markets of the world to-day, and I am advised by financiers that it will be a good time, within perhaps the present year or next year, to do some re-financing and get these high rates of interest out of the way as well as the bonds that are exempt from income tax. The committee knows that we cannot do this without authority. I welcome this opportunity of saying—because I do not wish to be bombarded by bond brokers during the session—that it is not the intention of the government immediately to take advantage of the powers which we shall receive from parliament. When we have time to do so we shall work out a plan which we believe will save the country a considerable rate of interest; and it will possibly satisfy many bondholders if we can re-finance by giving them other maturities of a longer term. That is the situation, and that is why we ask this authority from parliament.

Mr. BENNETT: We can discuss the matter in committee, because there are certain observations that should be made on the question.

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

Progress reported.

At six o'clock the house took recess.

After Recess.

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 15, respecting certain patent applications of William H. Millspaugh.—Mr. Jacobs.

Bill No. 16, respecting certain patent applications owned by The British Steel Piling Company, Limited.—Mr. Jacobs.

Bill No. 18, respecting a certain patent owned by Canadian Cinch Anchoring Systems, Limited.—Mr. Jacobs.

Bill No. 24, to incorporate the Highwood Western Railway Company.—Mr. Coote.

Bill No. 25, to incorporate Niagara Gorge Bridge Company.—Mr. Hay.

NIAGARA FALLS MEMORIAL BRIDGE COMPANY

Mr. G. H. PETTIT (Welland) moved the second reading of Bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company.

Mr. SPEAKER: I must inform the house that as yet the committees have not been struck, but we might follow the practice in England, where bills are referred by anticipation to the committees to be struck. Is that the pleasure of the house? Carried.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it would seem to me that instead of being referred to the standing committee on miscellaneous private bills this bill should go to the committee on railways and canals, because it deals with railways and the Railway Act is applicable to a certain extent.

Mr. PETTIT: This bill came before the private bills committee last year, and that would seem to be the proper committee.

Mr. SPEAKER: I think under the circumstances the point taken by the leader of the opposition is a good one, and this bill should be referred to the select standing committee on railways, canals and telegraph lines.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

ST. CLAIR TRANSIT COMPANY

Mr. W. T. GOODISON (West Lambton) moved the second reading of Bill No. 23, to incorporate the St. Clair Transit Company.

Hon. R. B. BENNETT (Leader of the Opposition): This would seem to be another bill which should be referred to the committee on railways and canals rather than the committee on miscellaneous private bills.

Mr. SPEAKER: That would seem to be right.

Hon. LUCIEN CANNON (Solicitor General): A bill similar to this was considered by the committee on miscellaneous private bills last year.

Mr. SPEAKER: Perhaps if the objects of the bill were explained we would know the committee to which it should be referred.

Mr. GOODISON: The object of the bill is to incorporate a company to build a bridge across the St. Clair river between the cities of Sarnia, Ontario, and Port Huron, Michigan.

Mr. SPEAKER: Under the circumstances I think it should be referred to the committee on railways, canals and telegraph lines.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

ELECTRICITY AND FLUID EXPORTATION

LICENSES FOR EXPORT OF ELECTRICAL POWER OR ENERGY

On the order for the second reading of Bill No. 2, to regulate the exportation of electric power.—Mr. Stewart (Leeds).

Hon. R. B. BENNETT (Leader of the Opposition): May I, on behalf of the hon. member for Leeds, move the second reading of this bill?

Mr. LAPOINTE: The sponsor of the bill should be present to explain it.

Mr. BENNETT: I can explain it. The bill provides that the power which is now vested in the governor in council with respect to grants of licenses for the exportation of electric energy shall be vested in parliament and not in the governor in council. Shortly that is the whole purport of the bill.

Mr. SPEAKER: In the absence of Mr. Stewart (Leeds), Mr. Bennett, seconded by Mr. MacDonald (South Cape Breton) moves that Bill No. 2, to regulate the exportation of electric power, be now read a second time.

Hon. CHARLES STEWART (Minister of the Interior): This is rather an important bill. I am not rising to object particularly to the bill, but it is one that, I think, we should be given an opportunity to study before we enter into active discussion on it, and I would suggest that my hon. friend let it stand in order to give us that opportunity.

Mr. BENNETT: The difficulty is that it might never be reached again. I appreciate the point taken by the Minister of the Interior. The bill could go to the committee of the whole house and there it could be dealt with on the understanding, if need be, that the house was not committing itself to the principle of the bill.

Mr. STEWART (Edmonton): That is the difficulty.

Mr. BENNETT: I am moving the second reading now for the hon. member for Leeds, who realizes that, unless this is done now, he may never have another opportunity this session. That has frequently happened, and I think the subject matter of the bill is well worthy of consideration by this house because it involves questions of first-rate importance, although it is true there are conflicting opinions with regard to the matter. There is, however, a general tendency towards believing that, with respect to the exportation of electric energy, parliament should be consulted because of unfortunate incidents that sometimes arise by reason of such licenses being granted, and then when the power may be required by domestic purposes at home, it is found that there have been created abroad vested interests of such a character that the cancellation of the license is regarded as an unfriendly act. Parliament, therefore, should consider these matters in every detail before a license is granted. I should like if possible, on behalf of the hon. member for Leeds, to advance the bill to that extent on the understanding that the house in committee will deal with the principle of the measure because, after all, if the house in committee kills the measure, that is the end of it.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): As the exportation of gas and electricity is handled by my department, I am more or less interested in this bill and I should prefer to have the sponsor of the bill here to make some explanations as to its importance. It is quite true that, as the leader of the opposition says, the bill takes from the governor in council and hands to parliament the power to control the exportation of electricity, but I do not think any hon. member realizes more than does the leader of the opposition that parliament cannot always control the exportation of elec-

tricity. From time to time such exceptions arise where the quantity involved is not great and, in fact, we have have had an exception of this kind in the last two months. During the time of the Vermont flood, power was cut off from that state, and it was absolutely essential—in fact at the request of the premier of New Brunswick that a temporary slight increase should be granted in the amount of power exported from New Brunswick to that neighbouring state. I contend that parliament could not have been called to deal with that emergency.

Mr. BENNETT: That could be covered by the bill.

Mr. MALCOLM: I can hardly see how it is covered by the bill or I would have been willing to let the bill proceed. I had hoped that the sponsor was going to explain how he would handle several emergencies that might arise and make his bill non-effective. I would ask the leader of the opposition to let this bill stand and I will do everything I can to have it come up again, because I realize its importance.

Mr. BENNETT: That is all that can be fairly said by anyone. I fully appreciate my hon. friend's position.

Motion stands.

CIVIL SERVICE ACT AMENDMENT

CIVIL SERVICE COUNCILS

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved the second reading of Bill No. 4, to amend the Civil Service Act.

Right Hon. W. L. MACKENZIE KING (Prime Minister): If my hon. friend in whose name this bill stands would have no objection to its going to the committee on industrial and international relations in order to be reported on by that committee before it is passed by the house, the government would have no objection to the second reading.

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

CRIMINAL CODE AMENDMENT

PROPOSED REPEAL OF SECTION 198, RESPECTING BLASPHEMOUS LIBEL

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved the second reading of Bill No. 5, to amend the criminal code.

[Mr. Malcolm.]

Mr. LAPOINTE: I would like my hon. friend to give explanations of his purpose in amending this section.

Mr. WOODSWORTH: This piece of legislation has come down to us from a very early date. It has rarely been used in England and, so far as we can discover, it has been used only once in Canada, namely, last year, when for the first time most people in this country realized that such a law was on the statute books. It was then used in the case of Ernest V. Sterry, of the city of Toronto, who was charged with blasphemy on the ground of his having written an article entitled "The Jewish God". In connection with the trial Judge Coatsworth made the following statements which, I think, will give us some idea of the interpretation which may be placed upon this statute:

> The Bible, the holy scriptures, are to us the revelation of God's will concerning us and all His people. We look upon the Bible as the basis of every good law in our country.

In the light of some of the recent controversies we might very well ask: Which Bible? Judge Coatsworth continues:

> When a man begins to express his opinions in a way that hurts others then he should be curbed whether his opinions are right or wrong.

I submit, Mr. Speaker, that that goes too far if we are to have any liberty in the expression of opinion in this country. Judge Coatsworth's interpretation is:

> When a man begins to express his opinion in a way that hurts others, then he should be curbed whether his opinions are right or wrong.

I may say that after I introduced this bill last year, I received a number of communications endorsing the measure which I proposed, a great many of them coming from clergymen of various denominations who felt that it was not at all necessary in order to protect religion that this legislation as it now stands should continue on the statute books. Articles of protest were written at the time, and perhaps one of the best was that by a Toronto Jewish rabbi. As the Jewish people were the people who might be supposed to be most offended by the blasphemy, since it was concerning the Jewish god, possibly I may be permitted to read just two or three paragraphs from this defence of Mr. Sterry. Rabbi Isserman refers to the old Jewish idea of blasphemy. Going back to the early days, he states:

> Because of this power of names, the ancient Israelite never pronounced the name of God.

That was the beginning of the idea. The name of God itself was so sacred that it

could not be pronounced, and hence anybody who in any way said anything concerning the God of that day was regarded as a blasphemer. Further than that, there were at that time certain social implications. As this writer says:

> Blaspheming his name, which meant besmirching his character, made the deity very angry, and man therefore hastened to punish the offender in order to mollify the righteous anger of God. For the whole tribe would be held to account for one man's unpunished offence against God.

It was out of that atmosphere that the idea in regard to blasphemy evolved. The writer of this article then goes on to trace the gradual evolution of the idea of God. He says:

> The God whom men feel desires the death of the blasphemer has been supplanted and displaced in the history of Israel.

Again:

> For this narrow and limited idea of God represents a stage in the evolution of religion. It represents an epoch in man's growing and evolving consciousness of God.

Again:

> It is incorrect to speak of the God idea of the Bible—for the Bible reveals many concepts about God.

Again:

> Organized religion need not fear the attacks of unbelievers. It has capable spokesmen. It has excellent organization. It has public opinion and the press to aid it. It has funds at its disposal. It has printing presses and authors and thinkers who are ready to break lances in its behalf. It will weather all attacks. It may purge itself when necessary, but it will endure and no pious people need fear any one publication or any one group of heretics.

He concludes with these words, which I commend to the house:

> And, truly, I do not believe that words blaspheme the Deity—but rather deeds. Injustice is blasphemy. Prejudice is blasphemy. War is blasphemy. Poverty is blasphemy. Persecution is blasphemy. Evil in life and deed, and not in word, is blasphemy. The God of to-day is pained, not by words, but by acts, and as I look on the history of humanity, the greatest blasphemies that I know of were committed by men dedicated to God, who though walking with psalms on their lips and symbols of God in their hands, kindled the faggots which burnt the heretical blasphemers. That was real blasphemy—men dedicated to love burning in the name of God a fellow human created in His image. And from such blasphemy may all of us be protected and saved.

I think, Mr. Speaker, perhaps the spirit of a Jewish rabbi, who might have been expected to have been the most offended by the article in question may very well be emulated by the public at large in regard to a matter of this kind. One of the difficulties with this legislation as it now stands is that there is no definition of blasphemy. The beliefs of one religious group are undoubtedly blasphemies in the eyes of other groups. I wonder if I may recall to the minds of some members of the house the thirty-nine articles of the Church of England. In the thirty-first article I read this:

> Wherefore the sacrifices of Masses, in the which it was commonly said, that the priest did offer Christ for the quick and the dead, to have remission of pain or guilt, were blasphemous fables, and dangerous deceits.

I submit, Mr. Speaker, that a man ought to be able to hold in this country his opinion with regard to masses without being in danger of being charged before the courts with blasphemy.

Mr. GEARY: So he can; he can hold any opinion he likes.

Mr. WOODSWORTH: He cannot hold these views because he may express them and it may hurt others. That is the point.

Mr. GEARY: The hon. member is reciting from a judgment that has nothing whatever to do with the decision in the case.

Mr. WOODSWORTH: I am giving the interpretation that may be given, and that has been given. I would say that undoubtedly many of the beliefs held by the Jews are blasphemies in the eyes of a Christian, that many of the beliefs held by Christians are blasphemies in the eyes of the Jews. We have in Alberta the sect of the Mormons, and there was some amendment made to their incorporation by this parliament a year or so ago. Many of their beliefs are absolutely blasphemous in the eyes of orthodox Christians. The rationalists, of whom Sterry was one, undoubtedly hold beliefs that are considered blasphemies in the eyes of orthodox Christians. The religious beliefs of Catholics are considered blasphemies by those who are responsible for the prayer book.

An hon. MEMBER: Oh, no.

Mr. WOODSWORTH: While my friend may be an authority upon law, he may not be an equally good authority on ecclesiastical matters. The views held by the modernists are undoubtedly blasphemies in the eyes of the fundamentalists, and the views of the fundamentalists are blasphemies in the opinion of the modernists. I need not recall to this house that in his day Socrates was accused of blasphemy, and even Jesus of Nazareth was accused of blasphemy by his orthodox contemporaries.

I submit, without going into this matter any more fully—perhaps already I have dealt with it further than is necessary—that it is not desirable for us to retain on the statute books a law of this character. As I said previously it has been invoked only once in the history of Canada. It stands, however, as a menace to the free expression of religious opinion. I know there is a safeguarding clause here which says:

Provided that no one is guilty of a blasphemous libel for expressing in good faith and in decent language, or attempting to establish by arguments used in good faith and conveyed in decent language, any opinion whatever upon any religious subject.

The article in question, which I have read carefully, is no more extreme than many articles which are written, in perhaps less popular language, in the theological journals of a great many bodies that are carrying on religious work here in Canada. This man Sterry may have been infelicitous in his way of expressing himself, but I repeat that it is dangerous to leave on the statute books a law which may be invoked against an individual for expressing himself along religious lines.

Hon. ERNEST LAPOINTE (Minister of Justice): The section which the hon. gentleman wishes to repeal reads as follows:

Every one is guilty of an indictable offence and liable to one year's imprisonment who publishes any blasphemous libel.

(2) Whether any particular published matter is a blasphemous libel or not is a question of fact: Provided that no one is guilty of a blasphemous libel for expressing in good faith and in decent language, or attempting to establish by arguments used in good faith and conveyed in decent language, any opinion whatever upon any religious subject.

That section is pretty broad. Perhaps my hon. friend does not realize what would be the effect of this bill if it were adopted into law. Our criminal code is in large part a codification of the common law, but it is specially provided that the common law still exists in respect to cases which are not provided for in the code. The repeal of the section to which my hon. friend has reference would not have the effect of repealing the common law, and under the common law those gentlemen whom my hon. friend desires to protect would be prosecuted more severely than under the code. The provisions of the code are rather a modification of the common law by making it less strict and less severe than it would be if this section were repealed. The house must see by the language of the section that any opinion may be freely expressed on any religious subject provided that nothing is said which would really constitute an outrageous reflection upon the religious feeling of the community. After all, this is the law in most countries. It is the law in England; it is the law in the United States of America, and I do not think we should be so anxious to protect people who really want to offend what is the religious feeling of the people of Canada. This is a Christian country, and with all the freedom of speech we have, of which I am myself an advocate, I do not think that this section in either code has worked any injury. I do not know the circumstances of the case my hon. friend mentions, which seems to have been the cause of the present bill, but if the verdict in that case was strict, as does occasionally happen, that does not mean that the law is necessarily wrong. I understand the case was appealed from the decision of the magistrate to the appellate division of the high court of Ontario, and that the verdict and sentence were affirmed. I should certainly not be disposed to accept this bill and I will vote against the second reading, because I am opposed to the principle.

Mr. G. R. GEARY (South Toronto): It is so seldom that I have been able to associate myself fully with the Minister of Justice (Mr. Lapointe), that I do it now with a great deal of pleasure. I agree with all he has said. The case arose in Toronto, and it speaks well for the Canadian people that there has been only one occasion where a man has been charged under that particular section of the code. As the Minister of Justice has said, there is no limit to free speech and free discussion of religious belief from any aspect or point of view whatever in this Dominion, so long as it is properly done. But when a man goes the length of writing the article which is complained of in the prosecution to which my hon. friend refers, it is well that we have on the statute books of the country a provision which forbids such a thing and punishes the man who attempts to do it. I do not think my hon. friend would be very well pleased to read the article or to associate himself with the statements made in it.

Mr. WOODSWORTH: I have read the article.

Mr. GEARY: Aloud, I mean.

Mr. WOODSWORTH: I should be glad to read it.

Mr. GEARY: I should be sorry to hear that the hon. member would be glad to use the language contained in it.

Mr. WOODSWORTH: No, I would not myself use that language, but I am willing to

read aloud the article. I think the sentiments expressed are those that were being taught in a great many theological institutions of the country.

Mr. GEARY: Then will my hon. friend tell me why he objects to the legislation on the statute book? It is only aimed at the way things are said. Things can be said in decent language and discussed properly as decent men discuss these matters, and there is no law on the statute book to prevent it. It is only when it is done in the sort of way it was done in this case that the criminal code punishes the man who does it.

Mr. ADSHEAD: As the seconder of the motion for the second reading of the bill I might say a word. The argument of the Minister of Justice (Mr. Lapointe) would go to show that this section ought to be repealed, because if I heard him correctly he stated that if the section were repealed the penalties under the common law would be much more severe than under the code. Then would it not be better to repeal the section and have the common law in force, which would punish a man more severely?

Mr. LAPOINTE: That was not the purpose of the bill.

Mr. T. W. BIRD (Nelson): In order to protect my hon. friend from Winnipeg North Centre (Mr. Woodsworth) from any unjust reflection, I intend on his behalf to read this article and to make a comment. The article is taken from a publication known as the Christian Inquirer, a publication I do not know anything about.

Mr. BENNETT: I rise to a point of order. Having regard to the rules of parliament, should we have read in the house an article which has been held by the court to be a blasphemous libel?

Mr. SPEAKER: How can I decide the point when I have not heard the article read? I am informed that it has been decided that a certain theory was held to be blasphemous; the case came before the court, and the court sustained the charge. I am also informed that there was an appeal, and I am told the appeal was dismissed. But we are also a tribunal; this is the highest court in the land. Perhaps my hon. friend has reference to something else.

Mr. BENNETT: In the British parliament the word "damn" has been held under their rules to be unparliamentary—it was held to be improperly used. When the courts of the country have decided that a matter is blasphemous—and admittedly what is asked to be read is an article that was so held to be blasphemous—I think we come within the rules that exclude that form of language from being placed upon Hansard. I just wish to turn up the rule in respect of words that may be considered objectionable.

Mr. SPEAKER: Before the hon. gentleman proceeds, I should like to hear the authorities on this point. Would he mind letting me have the so-called blasphemous libel for perusal?

Mr. BIRD: Mr. Speaker, I am not reading this as an expression of my own opinion; I am going to read it for the edification of the Commons and—

Some MEMBERS: Order.

Mr. SPEAKER: I am asking the hon. gentleman to facilitate my task. I am informed that this article has been declared by the courts to be a blasphemy, and objection is taken now to its being read to the house by reason of its having been so declared. Now, if the hon. gentleman would let me have the corpus delicti I would be in a position to pronounce upon it. I do not say that I would declare it to be out of order.

Mr. BIRD: Mr. Speaker, I was insisting on reading the article so that I might relieve you of the responsibility of saying whether it is blasphemous.

Mr. SPEAKER: Before the hon. gentleman proceeds, I should like to hear what the hon. leader of the opposition has to say with respect to the objection he took a moment ago. Perhaps he has his authorities now to quote to the house.

Mr. BIRD: Perhaps I might fill up the time by saying—

Mr. BENNETT: Mr. Speaker, standing order 41 deals with questions of decorum:

> No member shall speak disrespectfully of His Majesty, nor of any of the royal family; nor of the governor or person administering the government of Canada; nor use offensive words against either house or against any member thereof. No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

That will be found on page 95 of Beauchesne's Parliamentary Rules and Forms, second edition. Then follows a long list of references that had been held objectionable up to 1899. I had not looked up the rule when I made my observations. On page 101 the character of the language that a member may use is dealt with. I make

this objection on behalf of what I consider to be the traditions of this house and of parliament. I am only the leader of the opposition, and I leave it to the leader of the house and those who comprise the majority to make any observations they may please with respect to this matter.

Mr. McGIBBON: Surely, Mr. Speaker, the Prime Minister will have something to say.

Mr. DUNNING: You are in a hole, and want us to get you out of it.

Mr. McGIBBON: Oh no.

Mr. MACKENZIE KING: I have every confidence in the judgment of Mr. Speaker on a matter of this kind.

Mr. BIRD: I might proceed by saying that I have perused the article in question, and whether I am allowed to read it or not, I think I cannot be prevented from giving my opinion—

Mr. LAPOINTE: Hear, hear.

Mr. BIRD: —as to its blasphemous character.

Mr. BENNETT: Hear, hear.

Mr. BIRD: Now, I take part in this discussion in order to protect my friend from Winnipeg North Centre (Mr. Woodsworth) from what I consider to be the unjust objection of my friend from South Toronto (Mr. Geary) in trying to leave the impression that he was defending something that is monstrous.

Mr. GEARY: Mr. Speaker, may I rise to a point of order? I do not care particularly what my hon. friend thinks of this article, but I wish to say again that I do not think my friend from Winnipeg North Centre would like to read the article aloud, and I do not think it would sound any better if my friend from Nelson (Mr. Bird) undertook to do so.

Mr. BIRD: Well then, my hon. friend is content to take it either way.

Mr. GEARY: He does not need to.

Mr. BIRD: It is open to me to give my opinion whether it is a nice thing to do or not. He is not the sole judge of decorum in this house.

Mr. SPEAKER: Before the hon. gentleman proceeds, let me say that I do not think the point of order is well taken. True, in footnote (c) to standing order 41 it is said that:

A member while speaking must not refer to any matter on which a judicial decision is pending.

[Mr. Bennett.]

The footnote is based on May, page 296. But in the present case a judicial decision is not pending; it has been rendered; and there is no power to prevent parliament passing legislation after a judgment has been rendered to rectify what may be considered an injustice or an infringement of individual liberty by such judgment. I may say that I have read the article, and although to me personally it is highly objectionable, yet this is the temple of freedom of speech. And I hope every hon. member will understand the meaning I attach to the other words that I am about to utter: This is not only the temple of freedom of speech, it is the temple of freedom of thought. I cannot prevent an hon. member from expressing his views even on a matter of this nature if he honestly and decently expresses those views. Under the circumstances I think I should give the broadest freedom possible to any member who brings before the house a subject of the nature of that now in question.

Mr. BIRD: Mr. Speaker, I want it to be clearly understood that I hold no brief for the language of the article, nor for the views behind that language. I may say also that out of deference to what seems to be the view of a large section of the house I have no intention now of reading the article; but I will refer to it and try to give to the house what I consider to be a fair account of its tenor.

Mr. SPEAKER: I had forgotten to say this in support of my ruling. The house is familiar with the famous Bradlaugh case. From time immemorial in the House of Commons in England no member after having been enrolled could take his seat without subscribing to a certain oath. Mr. Bradlaugh came, not once, not twice, but I think three times to the table of the clerk of the House of Commons and positively refused to take the oath. The same thing occurred in the case of Daniel O'Connell fifty years before. In his case the law was amended. It was also amended in the case of Mr. Bradlaugh. I cite the Bradlaugh case because Mr. Bradlaugh did not believe at all in what constituted the oath. He was an atheist. To-day in England free-thinkers as well as believers can take their seat and declare what they believe in. I think the law was also amended to meet the conscientious objections of Quaker members of the British Commons. I simply state these cases to show that the greatest freedom of speech and freedom of thought exists under British institutions.

Mr. BENNETT: Mr. Speaker, I desire to point out to you—

Mr. BIRD: Mr. Speaker, I—

Mr. BENNETT: I am speaking to the question of order. Mr. Bradlaugh was acquitted on a charge of blasphemous libel.

Mr. BIRD: I had the floor before, Mr. Speaker.

Mr. SPEAKER: Order.

Mr. BENNETT: In Mr. Bradlaugh's case the rules of the house required that the oath should be taken. He declined to take that oath; there was nothing analogous to this case in that, but he was subsequently brought before the courts and Lord Coleridge summed up the whole situation. I merely refresh your honour's memory with respect to the Bradlaugh case; there is nothing analogous to this at all. Standing at the bar of the house he declined to take the oath because he said he was an atheist and was not bound by any oath. The rules of the house required that he take an oath and he declined to do so.

Mr. SPEAKER: The rules were amended accordingly.

Mr. BENNETT: No, there was a statute enacted.

Mr. BIRD: If I may be allowed to do so I will now finish what I started to say. This article is a burlesque on the story of creation; true, it is expressed in rather vulgar language, but the house can take it from me that this article expresses the story in a manner not more disrespectful than the language you might hear at any society tea table throughout this country. It is becoming customary to speak of that story with more or less disrespect. This gentleman, whoever he is, has followed the example of his betters; he has undertaken to criticize that story in a manner which, as I have said, makes his article something of a burlesque, but not one bit worse than the discussions of men who are supposed to be more respectable than he is. I could go to almost any theological college in Canada and find professors of Old Testament history who give, during their lectures, an account of the story of creation not one whit more respectable than this article. They might use more polite language, more scholarly and erudite expressions, but it would be no different in meaning. This unfortunate man happily does not belong to the elite; he is apparently some rough-mannered, long-haired individual who jumps on a soap box somewhere in the holy city of Toronto, which stands four-square against the waves of heterodoxy sweeping over the country, a city hallowed by its staunch support of all that is orthodox and traditional both in fiscal theory and in biblical belief.

A great deal of fuss has been made about nothing; this theory of creation given in this article is commonly held from one end of Canada to the other. It is taught in our Sunday schools and in our day schools in language which is perhaps a little more correct, yet my hon. friend thinks it terrible, and warns the hon. member for Winnipeg North Centre and myself not to read it. I can tell him that I have read it with great gusto. I was also pleasantly surprised to find how sensitive the hon. leader of the opposition is for the traditions and faith of the house; he even interrupted me in the little time I had at my disposal to deal with this matter.

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, I would like to make just one observation. The hon. member who brought this bill before the house quoted in support of it articles of certain faiths. I sent out for the standard work on criminal law in Canada, Crankshaw's Criminal Code, and turned up the section in question. The Minister of Justice (Mr. Lapointe) has already read it, but I would like to read just one or two comments which appear under that section. The first of these will be found on page 203 of the 1924 edition:

> A blasphemous libel consists in the publication of any profane words vilifying or ridiculing God, Jesus Christ, the Holy Ghost, the Old or New Testament or Christianity in general, with intent to shock and insult believers, or to pervert or mislead the ignorant and unwary; and if a publication be "full of scurrilous and opprobrious language, if sacred subjects are treated with levity, if indiscriminate abuse is employed instead of argument, then a design to wound the religious feelings of others may be readily inferred. But where the work is free from all offensive levity, abuse and sophistry, and, in fact, the honest and temperate expression of religious opinions conscientiously held and avowed, it is not a blasphemous libel.

I pass on merely to read one quotation from a judgment of Lord Coleridge, who was Lord Chief Justice of England, in the case of the King against Ramsay and Foote, in which he said:

> If the decencies of controversy are observed, even the fundamentals of religion may be attacked, without a person being guilty of blasphemous libel.

That is the law which this amendment is designed to change.

Motion (Mr. Woodsworth) negatived.

LOAN OF $500,000,000

REDEMPTION OF LOANS AND PURCHASE OF UNMATURED SECURITIES

The House resumed consideration in committee of the following proposed resolution, Mr. Johnston in the chair:

Resolved, that the Governor in Council be authorized to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act such sum or sums of money as may be required, not to exceed in the whole the sum of five hundred million dollars, for paying or redeeming the whole or any portion of loans or obligations of Canada and for purchasing and withdrawing from circulation unmatured securities of Canada; the principal and interest to be charged upon and payable out of the consolidated revenue fund.

Mr. GUTHRIE: May we have some explanation?

Mr. ROBB: I gave the explanation before six o'clock.

Mr. BENNETT: There is a very great deal to be said with respect to this matter, because it is involved in the application of a principle which has been applied on several occasions in Great Britain, but I shall not endeavour to discuss the matter to-night. I will reserve my criticism and suggestions for the second reading of the bill, without in any sense concurring in the resolution now before the house.

Mr. IRVINE: Just as a matter of information I wish the Minister of Finance would inform the committee how he proposes to borrow money, say next year, at a rate of interest which may range from one per cent to four per cent, to retire bonds paying five and one-half per cent in 1932 or 1933, as the case may be, without losing money? I do not see how it can be done.

Mr. ROBB: That is quite a reasonable question, Mr. Chairman, and if we find that at the rates of interest which are suggested we cannot convert these outstanding bonds, we will not do it. I think the record of the government goes to show that any re-financing has always been done at a low rate of interest, and that will be the policy followed in this case. We are simply asking parliament to give us the authority so that if we find it possible to convert these outstanding loans at a rate of interest sufficiently low to save the country something on the interest, we will do so. We are told by financial men from time to time that there are frequent transactions going through their books involving these outstanding bonds, and we are advised that by a refunding arrangement, enabling people who hold these outstanding bonds now at a high rate of interest to refund them, we will save money. Let me say now that we will try to provide in future that in loans of this magnitude it will be possible for the Minister of Finance to call in these bonds, if he finds the market so working that it will be to the advantage of the country to do so, and refund them again at a low rate of interest.

Mr. GARDINER: Before six o'clock the minister gave us various items which were to be refunded in the next few years. I believe the first large item was about $446,000,000, due in 1933, and in 1934 we have another large sum of about $511,000,000. The other figures given by the minister ranged from $53,000,000 to $73,000,000, in different issues, and he also made the statement that he expected to pay the smaller bond issues in cash up to 1932. In view of the fact that the real refunding will be in connection with the larger loans, is it within the power of the minister to call in those issues before they mature, and pay them off or refund them? I suppose that would be a question of bargaining, but I would like the minister to explain the situation.

Mr. ROBB: We have no authority to say to my hon. friend or to any other person holding these bonds, "Bring in your bonds and we will give you cash for them." We believe, however, that we can put a price on them which will be attractive and which will permit us to refund them at a rate of interest which will result in a saving to the country.

Mr. IRVINE: Could the minister give us any idea as to where these bonds are held?

Mr. ROBB: No, I have no idea where these particular bonds are held, but I can give the house information as to the bonds payable outside of Canada. Between 1929 and 1952 there are payable in New York bonds to the value of about $225,874,000, while there are bonds maturing in London between 1934 and 1960, inclusive, amounting to $311,668,138.39. The debt of the country is largely held in Canada.

Mr. IRVINE: May I ask if any portion of the bonds which the minister contemplates retiring by this loan are tax free bonds?

Mr. ROBB: That information is not on record; I have just sent out for it, but there is a considerable proportion of these bonds which are tax free.

Mr. MATTHEWS: The 1933 bonds are tax free, while the 1934 bonds are taxable.

Mr. GARDINER: Has the minister any information as to where these different issues were floated, whether in Canada or abroad?

Mr. ROBB: Most of them are payable in Canada; some are payable in New York while some are payable in both Canada and New York. In New York we have $60,000,000 due in 1929; in 1931 we have $25,000,000 due; in 1935 we have $874,000 due in Canada and New York; in 1936 we have $40,000,000 due, and in 1952 we have an issue amounting to $100,000,000. The rest are all payable in Canada, with the exception of a loan of $45,000,000 maturing in 1930, which is payable in New York and Canada. Let me repeat that we hope to be able to retire out of revenue, without going into the market, the maturities of 1928, amounting to $53,000,000; the maturities of 1930 amounting to $65,000,000, the maturities of 1931 amounting to $52,000,000 and those of 1932 amounting to $73,000,000, but it is too much to expect the Canadian people to take care of the larger maturities of 1933, although they may take care of them in part.

Mr. MATTHEWS: I believe I can answer the question which was asked by my hon. friend. The 1933 issue is payable in Canada only; it is non-taxable and is apparently the issue which this $500,000,000 is intended to retire. That issue is not payable anywhere except in Canada.

Mr. IRVINE: Mr. Chairman, at the risk of making myself appear ridiculous to hon. members of this house who may claim to be high financiers, I desire to offer just one suggestion which I have made to the minister on previous occasions, but which I regret to say he has not as yet seen fit to accept. I do not believe we will have a better opportunity than the present to take over our own bonds. When all is said and done, the bonds which will be issued for this loan of $500 000,000 will be issued against the credit of Canada. I care not if the minister has to go to New York to get the loan, he will have to take Canada in his pocket; he will have to deposit Canada in Wall street and go to the front door to borrow back a portion of Canada at 4 per cent or 5 per cent as the case may be. I am still at a loss to know why that credit, which is good enough for Wall street, is not good enough for Canada, and I still wait for the minister to answer the question.

Mr. ROBB: I do not want to be discourteous to my friend, but I repeat that the debt of Canada is largely held by Canadians, and in this refunding operation we propose to give Canadians the preference. But I say to the bond men and to the bankers of Canada that they will have to meet the rates of the world to get the business, or we will go elsewhere.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 35, to authorize the raising, by way of loan, of certain sums of money for the public service.

Motion agreed to and bill read the first time.

DOMINION NOTES ACT AMENDMENT

ADDITIONAL BRANCH OFFICES FOR REDEMPTION OF DOMINION NOTES

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That the Dominion Notes Act be amended to provide that the governor in council may establish branch offices of the Department of Finance for the redemption of Dominion notes (in addition to those already authorized), at such other place or places in Canada as the governor in Council, on the recommendation of the treasury board, may authorize.

Mr. BENNETT: Explain.

Mr. ROBB: The statute as it stands at present limits the power to open offices at places designated in the statute. The object of this resolution is to authorize the governor in council to establish additional assistant receiver general's offices as the increased business of the country may require.

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

Mr. BENNETT: What is the real necessity for this? For years the work has been done in this way with offices at Toronto, Montreal, Halifax, St. John, Winnipeg, Victoria, Calgary.

Mr. ROBB: Charlottetown, Regina.

Mr. BENNETT: Yes, one in each province, and Dominion of Canada notes and coupons are all payable at those points. Now the government proposes to create other ones at additional expense for buildings and office staffs; further difficulties will arise in connection with claims for the redemption of our standard securities which are payable at any offices of the receiver general, and added charges will be made by the banks for services

thus rendered. Is there a demand for this, and from whom does it come? The committee has a right to know.

Mr. ROBB: There is some demand from business interests in different parts of the country.

Mr. BENNETT: Where?

Mr. ROBB: I might as well be frank with my hon. friend. In British Columbia they say it is not convenient for large business firms to go over to Victoria, to transact this business.

Mr. BENNETT: I agree with my hon. friend. When the Bank Act was revised on the last occasion, I was in the house and a discussion took place as between Victoria and Vancouver. I think it was stated at that time that, inasmuch as not very much difficulty was involved and there was a branch office at Victoria, there was no necessity for establishing one at Vancouver. All that is involved is whether they will carry these things round in their hands to an office which will cost a great deal of money or transmit them by a form they have to Victoria. In the United States they have no such numbers of branch offices as we have. The redemptions are made at the federal reserve branch banks and some states do not have them at all, as my hon. friend knows.

Mr. ROBB: My hon. friend seems to understand the matter quite well, but does he not realize that we have some obligations towards the business men of the country?

Mr. BENNETT: Surely.

Mr. ROBB: The business men of the country from time to time represent that this would be more convenient and they are particularly pressing out in British Columbia. My hon. friend must remember that this country is growing very rapidly.

Mr. BENNETT: The United States is somewhat larger.

Mr. ROBB: I think he can trust us not unduly to enlarge the expenditures of this department, which, in fact, has this year shown a reduction in the cost of administration.

Mr. GUTHRIE: Is this for the convenience of the business men as such, or the banks?

Mr. ROBB: Largely the banks.

[Mr. Bennett.]

Mr. GARDINER: This resolution states that it is necessary to create further offices for the redemption of Dominion notes. Would the minister tell us how this work is carried on, how these Dominion notes are redeemed, with what, and so forth?

Mr. ROBB: The offices of the assistant receivers general do exactly the same work as the head office in the capital of the country. The functions of these offices are to distribute to the banks Dominion notes and specie, to make advances to them under the provisions of the Finance Act and to act as registrars of notices of intention to give security under section 88 of the Bank Act. They also act as transfer agents in connection with the registration and de-registration of Dominion bonds. Principal and interest of government bonds and certain guaranteed issues of the Canadian National Railways are also payable at these offices.

Mr. BENNETT: It was asserted, rightly or wrongly, that to have more than one office in a province complicated the situation very greatly with respect to registration and de-registration of the very bonds that were mentioned and that, therefore, there should be only one in each province. In the province of Quebec, where very large business is transacted, it was suggested that there should be a transfer office at the city of Quebec as well as at the city of Montreal, and I recall all these discussions that took place. The banks, of course, would like to have one at every second door, but that is no reason why they should have one for their convenience and why this Dominion should go to the expense of establishing a second receiver general's office in any one province. If my hon. friend will pardon me I will take him through a transaction of this kind. The banks have a certain amount of legal tender which they carry and there are certain provisions with respect to the redemption of notes, but very few redemptions take place in outlying sections. All the banks do is to go to the receivers general's office when they require legal tender and they get it in bills of $500, $1,000, $10,000, $1 or $2; but, generally speaking, the banks carry them in their own treasury. Desirous as I am of assisting business, I cannot see how we are going to do that by going to the expense of establishing another receiver general's office. I think I know exactly why this is being done. It is for the purpose of giving a little

more convenience for some people who are affected and not for the business community at all. As surely as you put it on the statute books, the next week you will be called upon to implement your promise and then you will have to have another building, a deputy of the receiver general and another staff; you will have to put your silver and gold in that office and you will then have two offices that will serve no greater purpose than one. If the minister will go down to the receiver general's office in the city of Montreal he will see exactly what I mean. I have no doubt he has followed these transactions himself from day to day. They are very simple.

Mr. TOLMIE: It is no serious trouble to do business in the city of Victoria. The whole province of British Columbia does business there; it is the capital of the province. If we listened to all these demands, probably we should have to establish four or five more capitals throughout the country. There is an excellent steamboat service with the island, with two lines of boats running every day, boats as fine as any afloat. The people are accustomed to do their business there, and it is no more trouble to carry on this business in Victoria than if you had branches established elsewhere. In addition, I am quite sure that the moment you create this precedent in British Columbia you will have numerous demands of the same kind from other provinces.

Mr. GUTHRIE: While this office is called a branch office of the Department of Finance for the redemption of Dominion notes, is it not an office also for the issue of Dominion notes to the banks? Can the banks go to the receiver general's office and obtain Dominion currency?

Mr. ROBB: Yes, under the Finance Act, if they require money quickly they can get it there.

Mr. GUTHRIE: They can get it from the receiver general's office?

Mr. ROBB: Yes.

Mr. GUTHRIE: And when they obtain it, it is in the form of Dominion notes?

Mr. ROBB: Legals. We have made such progress to-day, Mr. Chairman, that I do not want to delay the business of the house at all. I am simply bringing this measure forward at the request of the business men of British Columbia.

Mr. BENNETT: The business men, or the banks?

Mr. ROBB: Yes, representing the business men of that province; and they say to me that Vancouver now has become one of the largest shipping ports in the world open all the year round. But if the representatives of British Columbia in this house do not want this additional service I will let the matter stand. I will not say that I will wipe it off the order paper. I move that the committee rise and report progress.

Mr. BENNETT: Edmonton wants an office too.

Mr. GUTHRIE: So does Guelph.

Progress reported.

ELECTRICITY INSPECTION ACT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend and revise the Electricity Inspection Act to bring it into conformity with the existing conditions in electricity, in regard to the commercial unit of supply, the units of electrical measure, inspection standards, the verification of meters, and other related matters, and to provide for the appointment of a director and such assistants as may be deemed necessary.

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

Mr. BENNETT: Will the minister explain this resolution?

Mr. MALCOLM: During the past twenty years, as every member of the house knows, remarkable progress has been made in all electrical equipment, and the terms used in the Electricity Inspection Act of 1907 do not cover all the equipment in use to-day for the measurement of electricity. It is therefore proposed to revise the act. It is also proposed to amend the sections relating to the officers, to bring them under the terms of the Civil Service Act. It is proposed also to eliminate a number of sections that are considered to be beyond the power of the Dominion parliament, also to eliminate some sections that are obsolete. When we consider the bill section by section I am sure the house will realize that a good deal of the old bill is obsolete due to the rapid changes that have taken place in all things electrical.

Mr. BENNETT: What about standards?

Mr. MALCOLM: Electrical standards are provided for in the bill.

Mr. BENNETT: Where are they to be formed?

Mr. MALCOLM: We hope it will be here.

Mr. GARLAND (Bow River): I was not quite clear on one point. I note that provision is to be made for the appointment of a director and such assistants as may be deemed necessary. I presume these appointments will be made under the Civil Service Act.

Mr. MALCOLM: Yes.

Resolution reported, read the second time and concurred in. Mr. Malcolm thereupon moved for leave to introduce Bill No. 36, to amend and revise the Electricity Inspection Act.

Motion agreed to and bill read the first time.

CANTEEN FUNDS

Hon. J. L. RALSTON (Minister of National Defence) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to provide for the disposition and allotment of the canteen funds which were accumulated during the war by certain units of the Canadian Expeditionary Force in Canada, the Canadian Siberian forces and by the forces stationed at St. Lucia (British West Indies), resulting from the profits of canteens and other like institutions operated by the several units and formations, and for the administration of the same by the provincial board of trustees appointed under the Canteen Funds Act, chapter 34 of the statutes of 1925.

Hon. R. B. BENNETT (Leader of the Opposition): There are many members on this side of the house who are very deeply interested in this matter. I mentioned to my friend the minister (Mr. Ralston) that they were not here this afternoon, and I find since that they have gone to their homes outside of the city, not thinking that this measure would be reached this evening. If it is at all possible for the minister, consistent with his transaction of public business, to let the matter stand in order that they might have the opportunity to be here and discuss it, it would be greatly appreciated. I refer to the men who saw service overseas.

Mr. RALSTON: Stand.

Motion stands.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: This being Friday it would require the unanimous consent of the house if we were to go into committee of supply this evening. I do not know whether hon. gentlemen opposite are agreeable.

Mr. BENNETT: I should like to say that we are agreeable, but the gentlemen who had prepared themselves to discuss the estimates of the Minister of Agriculture (Mr. Motherwell) with my friend the former minister (Mr. Tolmie) are not able to do so to-night. We have done a pretty good day's work, and I think perhaps we had better adjourn.

Mr. MACKENZIE KING: I agree with my hon. friend. We have done a very good day's work.

On motion of Mr. Mackenzie King the house adjourned at 9.30 p.m.

Monday, February 13, 1928

The house met at three o'clock.

TARIFF ADVISORY BOARD

Hon. J. A. ROBB (Minister of Finance): On Wednesday, February 8, the hon. member for East Calgary (Mr. Adshead) asked that the evidence given before the tariff advisory board with regard to cottons be tabled. I now place on the table copies of the evidence.

SELECT STANDING COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister) presented the report of the special committee appointed to prepare and report lists of members to compose the select standing committees of the house as follows:

No. 1

ON PRIVILEGES AND ELECTIONS

Messieurs

Beaubien,
Bell (Hamilton),
Bell (St. Antoine),
Bennett,
Bird,
Blatchford,
Cannon,
Clark,
Cotnam,
Denis (Joliette),
Duff,
Edwards (Frontenac-Addington),
Elliott,
Goodison,
Gott,
Hanson,
Jacobs,
Johnston (Long Lake),
Kellner,
Kennedy,
King (Kootenay East),
Lapointe,
McPhee,
McQuarrie,
MacDonald (Cape Breton South),
Marcil,
Mercier (St. Henri),
Ralston,
Rhéaume.—29.

(Quorum 10)

No. 2

ON RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs

Anderson (Toronto-High Park),
Bell (St. Antoine),
Bell (Hamilton),
Blatchford,
Bock,
Bothwell,
Bourgeois,
Bowman,
Cahan,
Cahill,
Cantley,
Casgrain,
Casselman,
Denis (Joliette),
Drayton, (Sir Henry),
Dubuc,
Dunning,
Edwards (Waterloo),
Evans,
Fafard,
Fansher (Last Mountain),
Foster,
Fraser,
Gardiner,
Geary,
Gershaw,
Guerin,
Heaps,
Howden,
Jones,
Kay,
Kellner,
Kennedy,
Lanctôt,
Laflamme,
Lapierre,
McLean (Melfort),
McQuarrie,
Macdonald (Kings),
MacLean (Prince),
MacNutt,
Manion,
Mercier (Laurier-Outremont),
Milne,
Morin (Bagot),
Parent,
Pettit,
Pouliot,
Price,
Rennie,
Ryerson,
Séguin,
Simpson,
Stevens,
Stewart (Leeds),
Telford,
Tobin,
Totzke,
Vallance,
Young.—60.

(Quorum 20)

No. 3

ON MISCELLANEOUS PRIVATE BILLS

Messieurs

Adshead,
Anderson (Halton),
Baldwin,
Barber,
Blanchard,
Boucher,
Bowen,
Brown,
Cahan,
Cannon,
Chaplin,
Church,
Denis (St. Denis),
Descoteaux,
Deslauriers,
Duff,
Embury,
Fansher (Lambton East),
Fontaine,
Glen,
Hall,
Irvine,
Kay,
Langlois,
Letellier,
Luchkovitch,
McGregor,
McIntosh,
McMillan,
McPherson,
Macdonald (Glengarry),
MacLaren,
Maloney,
Mercier (Laurier-Outremont),
Parent,
Peck,
Pettit,
Robitaille,
Rutherford,
Sanderson,
Séguin,
Sinclair (Wellington North),
Spence,
Stinson,
Telford,
Thompson,
Tummon,
Verville,
Wilson (Wentworth),
Young (Saskatoon).—50.

(Quorum 15)

No. 4

ON STANDING ORDERS

Messieurs

Bell (Hamilton),
Blanchard,
Blatchford,
Brady,
Desaulniers,
Deslauriers,
Ernst,
Evans,
Gershaw,
Gervais,
Grimmer,
Ladner,
Lavigueur,
McGregor,
McKenzie,
MacNutt,
Mercier (St. Henri),
Morin (St. Hyacinthe-Rouville),
Speakman,
Young (Weyburn).—20.

(Quorum 8)

No. 5

ON PRINTING

Messieurs

Baldwin,
Bettez,
Bock,
Boulanger,
Bradette,
Charters,
Edwards (Waterloo),
Embury,
Eslin,
Evans,
Foster,
Fraser,
Garland (Bow River),
Girouard,
Gott,
Goulet,
Hocken,
Howden,
Hubbs,
Kaiser,
Lacombe,
Lacroix,
Lang,
Lapierre,
Lucas,
McKenzie,
MacLean (Prince),
Macdonald (Glengarry),
MacLaren,
Marcil,
Maloney,
Matthews,
Maybee,
Morrissy,
Peck,
Perras,
Prévost,
Quinn,
Raymond,
Rennie,
Rinfret,
Roberge,
Rowe,
Ryerson,
St. Père,
Speakman,
Spencer,
Spotton,
Steedsman,
Sylvestre,
Taylor,
Verville,
White (Mount Royal),
Wilson (Vaudreuil-Soulanges).—54.

No. 6

ON PUBLIC ACCOUNTS

Messieurs

Adshead,
Arthurs,
Beaubien,
Bettez,
Black (Yukon),
Bothwell,
Boys,
Campbell,
Cahan,
Cannon,
Clark,
Coote,
Denis (Joliette),
Donnelly,
Drayton, (Sir Henry),
Dubuc,
Duff,
Edwards (Frontenac-Addington),
Gardiner,
Girouard,
Guthrie,
Hanson,
Ilsley,
Jacobs,
Kaiser,
Laflamme,
Lapierre,
Lennox,
Lovie,
McDiarmid,
Malcolm,
Manion,
Odette,
Parent,
Perras,
Pouliot,
Power,

Preston,
Raymond,
Ross (Kingston),
Rutherford,
Ryckman,
Smith (Stormont),
Smith (Cumberland),
Stewart (Leeds),
Taylor,
Telford,
Thorson,
Tobin,
White (London).—50.

(Quorum 15)

No. 7

ON BANKING AND COMMERCE

Messieurs

Allan,
Bennett,
Benoit,
Bird,
Black (Halifax),
Bock,
Bothwell,
Brown,
Casgrain,
Casselman,
Cayley,
Chaplin,
Clark,
Donnelly,
Drayton, (Sir Henry),
Ernst,
Faford,
Geary,
Gervais,
Guerin,
Hanson,
Harris,
Hay,
Hepburn,
Irvine,
Jacobs,
Ladner,
Lang,
McLean (Melfort),
McMillan,
McPhee,
McRae,
Matthews,
Odette,
Perley, (Sir George),
Robb,
Robinson,
Robitaille,
Ross (Moose Jaw),
Rutherford,
Ryckman,
Smith (Stormont),
Smoke,
Spencer,
Steedsman,
Stevens,
Vallance,
Ward,
Woodsworth,
Young (Weyburn).—50.

(Quorum 15)

No. 8

ON AGRICULTURE AND COLONIZATION

Messieurs

Anderson (Halton),
Arthurs,
Bancroft,
Benoit,
Boivin,
Bouchard,
Boulanger,
Bourassa,
Bourgeois,
Bowen,
Boys,
Brown,
Cahan,
Campbell,
Carmichael,
Casgrain,
Charters,
Coote,
Delisle,
Desaulniers,
Donnelly,
Dubuc,
Edwards (Frontenac-Addington),
Fafard,
Fansher (Last Mountain),
Forke,
Garland (Carleton),
Garland (Bow River),
Gervais,
Gott,
Guthrie,
Hodgins,
Kay,
Lanctôt,
Lucas,
McGibbon,
McKenzie,
McMillan,
McPhee,
McRae,
Maybee,
Millar,
Morin (Bagot),
Motherwell,
Rowe,
Séguin,
Senn,
Sinclair (Wellington North),
Spence,
Spotton,
Steedsman,
Stewart (Edmonton West),
Stirling,
Sylvestre,
Tolmie,
Tummon,
Totzke,
Vallance,
Young (Weyburn),
Young (Saskatoon).—60.

(Quorum 20)

No. 9

ON MARINE AND FISHERIES

Messieurs

Bancroft,
Beaubien,
Bissett,
Blanchard,
Bourgeois,
Brady,
Cantley,
Cardin,
Dickie,
Dionne,
Duff,
Dusseault,
Ernst,
Fansher (Last Mountain),
Grimmer,
Jenkins,
King (Kootenay East),
Luchkovitch,
MacDonald (Cape Breton South),
Macdonald (Kings),
MacDonald (Richmond-West Cape Breton),
MacLean (Prince),
McPherson,
McQuarrie,
McRae,
Morrissy,
Neill,
Pouliot,
Price,
Quinn,
Short,
Sinclair (Queens),
Smith (Stormont),
Ward.—34.

(Quorum 10)

No. 10

ON MINES, FORESTS AND WATERS

Messieurs

Anderson (Toronto-High Park),
Baldwin,
Barber,
Beaubien,
Bell (St. John-Albert),
Black (Yukon),
Blatchford,
Bouchard,
Bradette,
Cahill,
Cowan,
Dickie,
Duff,
Esling,
Gershaw,
Heaps,
Howden,
Ilsley,
Jelliff,
Johnstone (Cape Breton-North Victoria),
Lanctôt,
Lapierre,
Letellier,
McDiarmid,
McLean (Melfort),
MacDonald (Richmond-West Cape Breton),
Macdougall,
Macphail, (Miss),
Millar,
Roberge,
Robinson,
Sanderson,
Simpson,
Smith (Cumberland)
Stewart (Edmonton West).—35.

(Quorum 10)

No. 11

ON INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs

Auger,
Bell (St. John-Albert),
Bissett,
Black (Halifax),
Bourassa,
Church,
Cowan,
Deslauriers,
Gervais,
Grimmer,
Hall,
Heenan,

Howard,
Johnstone (Cape Breton-North Victoria),
Laflamme,
Letellier,
Macphail, Miss,
McGibbon,
McIntosh,
McMillan,
Malcolm,
Morin (St. Hyacinthe-Rouville),
Neill,
Perley, (Sir George),
Prévost,
Ross (Kingston),
Stinson,
Thorson,
Tolmie,
Veniot,
White (Mount Royal),
Wilson (Vaudreuil-Soulanges),
Woodsworth,
Young (Toronto North-East).—34.

(Quorum 10)

No. 12

ON OFFICIAL REPORT OF DEBATES

Messieurs

Bouchard,
Church,
Elliott,
Hocken,
Macdougall,
Marcil,
Millar,
Preston,
Prévost,
Rinfret,
Ross (Moose Jaw).—11.

(Quorum 7)

No. 13

ON THE LIBRARY

Mr. Speaker and Messieurs

Auger,
Bettez,
Bourassa,
Bowman,
Carmichael,
Chevrier,
Cotnam,
Descoteaux,
Dionne,
Edwards (Ottawa),
Fontaine,
Foster,
Fraser,
Garland (Carleton),
Geary,
Girouard,
Glen,
Guthrie,
Hepburn,
Hodgins,
Jones,
Kennedy,
Lacroix,
Langlois,
Lavigueur,
Lennox,
McIntosh,
Marcil,
Neill,
Pouliot,
Prévost,
Quinn,
Rinfret,
Senn,
Short,
Smoke,
Spencer,
St. Père,
Stirling,
Thompson,
White (London),
Young (Toronto-Northeast).—43.

No. 14

ON THE RESTAURANT

Mr. Speaker and Messieurs

Bancroft,
Black (Yukon),
Boivin,
Carmichael,
Cayley,
Chevrier,
Edwards (Ottawa),
Fiset, (Sir Eugene),
Howard,
Howden,
Kay,
Kellner,
Lang,
Macdougall,
McQuarrie,
Preston,
Senn,
Wilson (Wentworth).—19.

Mr. MACKENZIE KING moved that the report be concurred in.

Motion agreed to.

Mr. MACKENZIE KING moved:

That the lists of members composing the select standing committees of the house under standing order 63 be printed in Hansard.

Motion agreed to.

POWERS OF COMMITTEES

Mr. MACKENZIE KING moved:

That the select standing committees of the house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

BANKRUPTCY ACT AMENDMENT

Mr. J. C. BRADY (Skeena) moved for leave to introduce Bill No. 38, to amend the Bankruptcy Act (Attendance for examination).

Mr. LAPOINTE: Explain.

Mr. BRADY: In very large and sparsely populated areas such as are to be found in northern British Columbia, and, I take it, in other parts of Canada, the debtor who has made an assignment is obliged under the act, with severe penalties for non-compliance, to travel very often hundreds of miles in order to present himself for examination before the official receiver, who under the present act is persona designata. The purpose of this bill is to save the debtor from having to travel hundreds of miles, as is sometimes the case, in northern British Columbia, and no doubt the same condition is found in other parts of Canada as well. If there is any further explanation required, I shall be glad to give it on the second reading of the bill.

Motion agreed to and bill read the first time.

IMMIGRATION OF MINERS

On the Orders of the Day:

Mr. A. W. NEILL (Comox-Alberni): I would like to ask the Minister of Immigration (Mr. Forke) a question; I see he is not in his place at the moment, but perhaps he can give me an answer to-morrow. I will first call his attention to a news item appearing in the Sunday Times, of London, England, of December 4, 1927. It consists of only one sentence, which I will read:

"Every unemployed miner in Great Britain," said Mr. H. H. Stevens, M.P., of Vancouver, who arrived in Liverpool yesterday on the Canadian Pacific liner Melita, "can be found employment in the Canadian mines, provided he is physically fit."

In the absence of the hon. member for Vancouver Centre (Mr. Stevens) I doubt whether he said that, for I give him credit for more sense, but the statement was published on the apparent authority of an ex-minister of the crown and is calculated to do great harm in Great Britain by inducing destitute miners to come out here. I would ask the Minister of Immigration if he would see to it that the great publicity means that he has at his command be used to inform the people in Great Britain that there is no scope for miners in this country, but that, on the contrary, we have large numbers on both the Atlantic and Pacific coasts either idle or working only part time.

ST. JOHN RIVER STORAGE COMPANY

On the order:

Second reading of Bill No. 17, respecting the St. John River Storage Company.—Sir Eugene Fiset.

Sir EUGENE FISET: Stand.

Mr. J. F. POULIOT (Temiscouata): I rise to a point of order, Mr. Speaker. Section 92 of the British North America Act provides:

In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated.

And subsection 11 of that section reads:

The incorporation of companies with provincial objects.

Now what is this bill?

Sir EUGENE FISET: The bill is not yet before the house.

Mr. POULIOT: Yes, but I rise to a point of order.

Mr. DEPUTY SPEAKER: There is nothing before the house at the moment, and the point of order about to be raised by the hon. member (Mr. Pouliot) cannot be raised at this stage.

Hon. ERNEST LAPOINTE (Minister of Justice): My hon. friend from Rimouski (Sir Eugene Fiset) is not proceeding with this bill to-day, I understand, so I think my hon. friend from Temiscouata (Mr. Pouliot) should wait until he does proceed before he raises his point of order.

Mr. POULIOT: But I understood this bill was up for second reading.

Mr. LAPOINTE: But he is not proceeding with it to-day.

[Mr. Neill.]

Mr. DEPUTY SPEAKER: The hon. gentleman rose as soon as the order was called. The hon. member for Rimouski said "Stand" and therefore there is nothing before the house.

Mr. POULIOT: All right, we will take it up to-morrow.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPERIAL CONFERENCE OF 1926

Mr. CAHAN:

1. Has an expert committee been appointed, in compliance with the recommendations contained in the report of the inter-imperial relations committee to the imperial conference of 1926, to enquire into, report upon and make recommendations concerning,—

(i) Existing statutory provisions requiring reservation of Dominion legislation for the assent of His Majesty or authorizing the disallowance of such legislation?

(ii) a. The present position as to the competence of Dominion parliaments to give their legislation extra-territorial operation;

b. The practicability and most convenient method of giving effect to the principle that each Dominion parliament should have power to give extra-territorial operation to its legislation in all cases where such operation is auxiliary to provision for the peace, order and good government of Canada; and

(iii) The principles embodied in or underlying the Colonial Laws Validity Act, 1865, and the extent to which any provisions of that act ought to be repealed, amended or modified in the light of the existing relations between the various members of the British commonwealth of nations as described in said report of the inter-imperial relations committee?

2. If such expert committee has been appointed, when were the appointments made, and who were appointed, on the recommendation of the government of Canada, as Canada's representatives on said committee?

3. Has said committee reported?

4. Will the report and recommendations of said committee be submitted to the Canadian parliament during the present session?

5. Was a special sub-conference appointed or constituted to meet, at or about the same time as said expert committee, to consider the general question of merchant shipping legislation, and particularly, to consider and report on the principles which should govern, in the general interest, the practice and legislation relating to merchant shipping in the various parts of the empire, having regard to the change in constitutional status and general relations which have occurred since existing laws were enacted?

6. Has the proposed sub-conference been held, and who were members thereof?

7. Who were appointed to represent the government of Canada at the said sub-conference?

8. Has the said sub-conference reported?

9. Will the report of the said sub-conference be submitted to the Canadian parliament during the present session?

Mr. MACKENZIE KING:

1. The Secretary of State of Dominion Affairs, in his recent visit to the dominions, was in conference with the several governments as to the date for the meeting of the committee which will be most convenient to all concerned. It is understood that as a result of this exchange of views a time of meeting will be announced shortly.

2-4. Answered by No. 1.

5. The position is the same as in the case of the expert committee.

6-9. Answered by No. 5.

CANADA—FRANCE POSTAL RATES

Mr. PARENT:

1. Is the postal rate for letters, books and newspapers or magazines and periodicals between Canada and France the same as between Canada and Great Britain?

2. If not, why?

Mr. VENIOT:

1. No.

2. An effort is being made at the present time to negotiate lower postal rates between Canada and France, but the French postal authorities have pointed out the existing financial conditions in France and the necessity in that country for the government considering the postal service as a source of revenue. They have also pointed out that should the rates of postage between France and Canada be reduced, they would quite possibly be met with requests from other countries that the rates between France and those countries should be similarly reduced, and that this may prove an important factor in dealing with the question under consideration.

MAIL TRANSPORTATION COSTS

Mr. WOODSWORTH:

1. What proportion of His Majesty's mails are transported over the Canadian National railways?

2. What amount was paid last year to the Canadian National railways, and what amount to the Canadian Pacific railway for the transportation of mails?

Mr. VENIOT:

1 and 2. Expenditures on account of the railway mail service for the whole of Canada for fiscal year, 1926-27:

Canadian Pacific railways	$3,670,530 40
Canadian National railways	3,169,609 61
Other railways	484,406 77
Total	$7,324,546 78

The above figures represent approximately the percentage of mails carried by the different railways.

In every case the department has to be governed by the requirements of the postal service in the territory served by the railway, but wherever it is possible to do so preference is given to the National railways in the carriage of the mails and the establishment of new services.

JAPANESE IMMIGRATION

Mr. BLACK (Yukon):

1. Of what does the present arrangement consist, if any, between Canada and Japan limiting immigration to Canada from Japan?

2. Under that arrangement what is the maximum number of Japanese persons of each sex admissible to Canada annually?

3. How many Japanese of each sex have been admitted to Canada each year since 1925?

Mr. MACKENZIE KING:

1. The arrangement is based upon an exchange of notes effected in 1907, between the Minister of Foreign Affairs of Japan and the Hon. Rodolphe Lemieux, wherein the Japanese government stated that it was not its intention to insist upon the full enjoyment of the rights and privileges of entry, travel and residence which it considered were guaranteed by the treaty of 1894 between His Britannic Majesty and the Emperor of Japan, and that it would take efficient means to restrict emigration to Canada.

2. Under this arrangement, as modified by a further exchange of notes in 1923, it was understood that the Japanese government would not issue passports to household servants and agricultural labourers going to Canada in excess of one hundred and fifty a year. No maximum number of Japanese persons of each sex admissible to Canada annually is set, as in addition to the preceding classes, those admitted include returning Japanese and their families.

3.

Fiscal year	Adult Males	Adult Females	Children under 18	Totals
1924-25	182	269	50	501
1925-26	126	205	90	421
1926-27	115	250	110	475

CANADA GRAIN ACT—INTERPRETATION

Mr. CAMPBELL:

Has the Department of Justice yet given a reply to a question recently submitted to it by the board of grain commissioners asking for the department's interpretation of certain clauses in the Canada Grain Act?

Mr. LAPOINTE: Yes.

CANADA HOUSE—EMPLOYEES

Mr. NEILL:

1. How many regular employees are there in Canada House, London, England?

2. Of these how many are Canadian born, or have spent five or more years, in Canada?

Mr. LAPOINTE:

Department of External Affairs

1. There are thirty-five regular employees in the high commissioner's office in London.

2. Of these five are Canadian born, or have spent five or more years in Canada.

Department of Health

1. 10.

2. Canadian born 5. Records of the Department do not contain any information relative to the number of years spent in Canada by those who are not Canadian born.

Department of Immigration and Colonization

1. 62.

2. 14.

Department of Public Works

1. 14.

2. 2.

Department of the Secretary of State

Office of the Custodian and the Clearing Office

1. 1.

2. Nil.

Department of Soldiers' Civil Re-establishment

1. 10.

2. Born in Canada, nil. Canadian residents for 5 years or more 2.

Department of Trade and Commerce

1. 5.

2. 1.

REVISION OF THE STATUTES

Mr. BLACK (Yukon):

1. To date what has been the cost of the revision of the Dominion statutes now being made?

2. What are the names of the commissioners?

3. What has been paid to each: (a) as salary or remuneration; (b) as expenses?

Mr. LAPOINTE:

1. $123,173.49.

2. Members ex officio, the Minister of Justice and the Solicitor General: President, The Right Honourable Sir Charles Fitzpatrick, G.C.M.G., K.C., Vice-President, E. L. Newcombe, C.M.G., K.C. (to September 19, 1924), Vice-President, E. R. Cameron, K.C., Commissioners, H. H. Dewart, K.C. (deceased), E. J. Daly, F. R. McD. Russell, K.C., L. A. Rivet, Alex. MacGregor.

3.

	(a)	(b)
Sir Charles Fitzpatrick	$15,569 86	$1,921 80
H. H. Dewart (deceased)	1,189 50	260 00
E. L. Newcombe (to Sept. 19, 1924)	2,085 75	40 00
E. R. Cameron	8,669 35	79 10
E. J. Daly	9,522 82	
F. R. McD. Russell	9,522 82	4,600 00
L. A. Rivet	9,522 82	920 00
Alex. MacGregor	6,777 95	720 00

PREVENTIVE SERVICE SEIZURES

Mr. GARLAND (Bow River):

1. What was the gross revenue deposited to the credit of the receiver general on account of customs preventive service seizures for each of the fiscal years ending March 31, 1923-1924-1925-1926-1927, and for the 9 months ending December 31, 1927?

2. What was the amount of salaries and expenses, respectively, of the preventive service during each of the said periods?

3. What was the number of officers employed during each of the said periods?

Mr. EULER:

1. Gross revenue from Customs-Excise Preventive Service seizures during the fiscal years under-mentioned.

Fiscal Year	Customs Seizures	Excise Seizures	Total
1922-23.	$103,717 04	$222,717 72	$326,434 76
1923-24.	334,877 43	268,148 99	603,026 42
1924-25.	224,801 45	205,183 31	429,984 76
1925-26.	181,054 29	132,587 25	313,641 54
1926-27.	306,342 27	123,260 95	429,603 22
1927-28. (9 mos)	*425,788 10	*106,658 86	532,446 96

* In addition 70,534 gallons of liquors have been seized, having a duty paid value of $830,750 50.

2. Amount of salaries and expenses respectively, of the preventive service for each of the fiscal years ended March 31, 1923, 1924, 1925, 1926, 1927, and for 9 months ended December 31, 1927.

Fiscal years	Salaries	Expenses	Total
1922-23.	$113,433 21	$120,789 93	$ 234,223 14
1923-24.	118,004 93	169,201 51	287,206 44
1924-25.	167,546 19	149,121 28	316,667 47
1925-26.	216,900 95	169,757 06	386,658 01
1926-27.	285,842 27	317,299 13	603,141 40
9 mos. to Dec. 31, 1927.	392,136 12	718,135 49	1,110,271 61

3. Number of employees in preventive service (including boats) during fiscal years 1922-23, 1923-24, 1924-25, 1925-26, 1926-27, and the first nine months of 1927-28:

1922-23	127
1923-24	170
1924-25	186
1925-26	299
1926-27	400
First 9 months of 1927-28	662

UNDESIRABLE PUBLICATIONS

Mr. ALLAN:

What steps are being taken by our government to suppress or prevent undesirable publications from entering Canada?

Mr. LAPOINTE (For the Secretary of State):

Department of National Revenue

Section 11 of the Canada Customs Tariff, 1907, provides that;—"The importation into Canada of any goods enumerated, described or referred to in schedule C to this act is prohibited; and any such goods imported shall thereby become forfeited to the crown and shall be destroyed or otherwise dealt with as the Minister of Customs directs; and any person importing any such prohibited goods, or causing or permitting them to be imported, shall for each offence incur a penalty not exceeding two hundred dollars."

Item 1201, schedule "C" of the Customs Tariff, 1907, classifies as prohibited goods:—"Books, printed paper, drawings, paintings, prints, photographs, or representations of any kind of a treasonable or seditious, or of an immoral or indecent character."

Collectors or other customs officers seize goods which are obviously immoral or indecent, and if their importation is general, as in the case of a publication, a circular is issued prohibiting its importation into Canada. Imported publications, concerning which doubt exists, are forwarded to the department by collectors, and other persons, and are carefully examined. If found to be of the character set forth in item 1201 of the tariff, they are prohibited.

Post Office Department

Undesirable publications are being prohibited transmission in the mails under paragraph (d) subsection 1 of section 9 of the Post Office Act as amended in 1913.

PENETANGUISHENE WHARF

Mr. THOMPSON:

1. What amount was expended by the government in 1927 on the Penetanguishene wharf?
2. To whom were the several amounts paid, and for what purposes?

Mr. ELLIOTT:

1. $1,483.20.

2. Frank Payette, $348 for services as foreman; Joseph Robillard, $120 for services as carpenter; Joseph Desrochers, $55 for services as carpenter; H. Robillard, $8 for services as labourer; Alfred Lacroix, $8 for services as labourer; Andrew Marion, $78 for services as labourer; Joseph Butman, $16 for services as labourer; H. Lortie, $16 for services as labourer; John Desrochers, $5 for services as carpenter; M. A. Gendron, $33.10 for hardware; The C. Beck Mfg. Co. Limited, $391.34 for lumber; The McGibbon Lumber Co., Ltd., $58.97 for lumber; P. Payette Co., $315.64 for timber; Adjutor Gignac, $30.15 for blacksmithing.

CATTLE—RESTRICTED AREAS

Mr. CAYLEY:

1. How many restricted areas have been established in Ontario, and where?
2. How many cattle in each area?
3. What are the conditions governing establishment of a restricted area?

Mr. MOTHERWELL:

1. The entire county of Prince Edward and that part of Murray township in the county of Northumberland, which lies south of the Murray canal and adjacent to the county of Prince Edward.

2. 24,184.

3.

(1) Upon receipt of a request from the government of any province and upon compliance with the provisions of these regulations the government of Canada will, whenever it appears desirable to the Minister of Agriculture so to do, assist in the eradication of bovine tuberculosis from a restricted area in the manner hereinafter provided.

(2) Applications may be made to the Dominion Department of Agriculture by the Minister of Agriculture of the provincial government, stating that the province is desirous of federal aid in the eradication of bovine tuberculosis from a restricted area, upon and subject to the provisions of these regulations, and stating: (a) the location and boundaries of the proposed area; (b) the approximate number of cattle within it; (c) that a majority consisting of at least two-thirds of the cattle owners in the proposed area are in favour of having their cattle tested for the eradication of tuberculosis, and (d) that the provincial government whenever requested by the federal department of agriculture will assist in the enforcement of these regulations by conducting prosecutions of persons accused of obstructing or refusing to assist federal inspectors engaged in the work of testing cattle, and persons who, in any way, refuse to obey the regulations made hereunder.

(3) Upon the approval of the federal Minister of Agriculture of any such application, a proclamation may be published in the Canada Gazette constituting the proposed area a restricted area within the meaning of these

regulations, whereupon all provisions of these regulations shall apply to said restricted area.

(4) The said area shall be a quarantined area in so far as bovine tuberculosis is concerned. Cattle may only be moved into or out of the area under the following conditions:—

(a) Fully accredited cattle accompanied by a certificate of a veterinary inspector may enter the area without test.

(b) Cattle from herds under the supervision of the health of animals branch for the eradication of tuberculosis may enter the area without test if accompanied by a certificate signed by a veterinary inspector showing the date of the last test.

(c) Other cattle intended to remain within the area shall be subjected to the tuberculin test by a veterinary inspector or approved veterinarian before admittance to the area.

(d) Cattle for entry into the area for exhibition purposes or other temporary stay, not covered by sections (a) and (b) shall be subjected to the tuberculin test by a veterinary inspector or approved veterinarian before admittance to the area.

(e) Cattle for immediate slaughter consigned to approved slaughter-houses only may be brought into the area without test, but shall not be allowed to come in contact with other cattle and shall be kept isolated on the premises until slaughtered.

(f) Cattle in transit across the area by rail shall not be unloaded except at a point designated for that purpose where they may be kept from contact with other cattle within the area.

(g) Cattle shall not be driven across the area by road unless special permission has been obtained in writing from the Veterinary Inspector in charge of the area.

(5) Owners of cattle within the area will be required to assist the veterinary inspectors making the test by assembling the cattle when requested and giving whatever additional help as may be reasonably expected. Owners when requested must furnish meals and bed for the inspector while conducting the test.

(6) Suitable transportation from farm to farm within the area for the officers of the health of animals branch must be provided by the provincial government.

(7) Use of syndicate or joint bulls will be permitted in herds that are equally free from disease but not otherwise. For instance, a bull from a herd that has contained reactors shall not be used in a herd that has passed a clean test.

[Mr. Motherwell.]

(8) All cattle within the area shall be submitted to the tuberculin test as soon as practicable by veterinary inspectors or accredited veterinarians*; and shall be retested whenever deemed necessary by the veterinary director general.

(9) Reactors to the test shall be marked for identification and shall be disposed of by slaughter under inspection forthwith.

(10) Compensation for reactors slaughtered by order of the veterinary inspector duly authorized under the act may be granted as provided in sections 6 and 7 of the Animal Contagious Diseases Act.

(11) Compensation will not be paid for reacting grade bulls, steers, or animals affected with lumpy jaw.

(12) The feeding of animals within a restricted area on by-products of cheese factories, skimming stations and butter factories is prohibited, unless the said by-products have first been sterilized by heat.

* An accredited veterinarian for the purposes of these regulations means a veterinary practitioner authorized by the veterinary director general to conduct tests under the regulations of the health of animals branch.

PRINCE RUPERT PUBLIC BUILDING

Mr. BRADY:

1. Has the government a lease of the building now used for post office, customs, and marine and fisheries departments, in Prince Rupert?
2. If so, who is the lessor, and for how many more years does said lease extend?
3. What is the annual rental paid by the government for its lease of said building?
4. When does the present lease expire?
5. Has the lease recently been renewed, and if so, on what date?
6. Who recommended its renewal?
7. If the lease has not yet expired, is it the intention of the government to renew said lease?

Mr. ELLIOTT:

1. Yes.
2. (a) Mrs. Cora E. Black; (b) Five years from June 1, 1927.
3. $6,540.
4. June 1, 1932.
5. (a) Yes; (b) June 1, 1927.
6. The various departments interested.
7. Answered by No. 5.

BUTTER AND CHEESE IMPORTS

Mr. MacNUTT:

1. What is the total quantity of butter: (a) imported into Canada from Australia and New Zealand since the signing of the Australian treaty; (b) what quantities were imported into each province since the signing of the treaty?

2. What is the total quantity of cheese imported into Canada from Australia and New Zealand since the signing of the treaty: (a) what quantities were imported into each province since the signing of the treaty?

3. When was the dumping clause applied to these products?

4. On what date, if any, did the dumping clause cease to exist?

Mr. EULER:

1 and 2:

Statement of Imports of Butter and Cheese From Australia and New Zealand Entered for Consumption in Each Province of Canada From October 1st, 1925, to January 31st, 1928.

Item and Province	Oct. 1st, 1925, to Mar. 31st, 1926	Apr. 1st, 1926, to Mar. 31st, 1927	Apr. 1st, 1927, to Jan. 31st, 1928	Total, Oct. 1st, 1925, to Jan. 31st, 1928
BUTTER:	Lb.	Lb.	Lb.	Lb.
From Australia:—				
Nova Scotia	222,376	.....	.....	222,376
New Brunswick	28,056	.....	.....	28,056
Quebec	445,648	411,544	99,288	956,480
Ontario	1,081,528	151,472	42,000	1,275,000
Manitoba	56,000	28,000	.....	84,000
Alberta	84,000	.....	.....	84,000
British Columbia	567,894	210,308	192,584	970,786
Total, Dominion	2,485,502	801,324	333,872	3,620,698
From New Zealand:—				
Nova Scotia	.....	266,000	219,738	485,738
Quebec	868,000	548,744	359,034	2,775,778
Ontario	55,712	1,138,200	1,763,531	2,957,443
Saskatchewan	.....	.....	68,600	68,600
Alberta	39,719	.....	195,946	235,665
British Columbia	1,379,535	2,951,592	4,288,265	8,619,392
Total, Dominion	2,342,966	4,904,536	7,895,114	15,142,616
CHEESE:				
From Australia:—				
British Columbia	270	18	3,132	3,420
Total, Dominion	270	18	3,132	3,420
From New Zealand:—				
British Columbia	.....	15	137,441	137,456
Total, Dominion	.....	15	137,441	137,456

3. The Department ascertained first in February, 1926, that butter imported from Australia was subject to dumping duty on account of the application of the Patterson scheme which became effective in Australia January 1st, 1926. Instructions were then issued as to the assessment of special duty on such importations. The department has no record of the application of dumping duty to butter from New Zealand, or cheese from Australia or New Zealand.

4. Section 6 of the customs tariff, 1907, is still in force.

HARTLAND, N.B. POSTMASTERSHIP

Mr. JONES:

1. Who were applicants to the Post Office department or to the Civil Service Commission for the position of postmaster at Hartland, New Brunswick, rendered vacant by the death of postmaster J. E. McCollom?

2. By what persons or organizations was each applicant recommended?

3. Who, if any, of such applicants were returned soldiers?

4. What applicants were appointed or recommended by the Civil Service Commission?

5. Which recommendations or appointments were rejected by the Post Office department, and on what grounds?

6. Which appointment or recommendation was accepted by the Post Office department?

7. Did anybody consult personally, or by letter, with the Postmaster General or Post Office department at Ottawa in reference to such applications, and if so, on behalf of what applicant or applicants?

8. If so, what grounds were presented by said party or parties on behalf of such applicant?

9. Was any recommendation made to the said party or parties to the postmaster general, or to any official of his department on behalf of any applicant by the liberal committee at said Hartland?

Mr. VENIOT:

1. Sarah Catherine Currie.
Edward Wallace Laskey.
J. Stirling King.
Edward Albert Britton.
Frank Hagerman.

2. E. A. Britton—Kenneth W. Keith.
O. I. Clark.
J. U. Montgomery.
Frank A. Acton.
A. G. Baker.
Rev. C. LeRoi Mooers.
Major H. Priestman.

Miss S. C. Currie—W. Steadman Smith.
Kenneth W. Keith.
I. A. J. Ward.
M. L. Hayward.
A. G. Dickinson.
R. J. Potts.

F. Hagerman—H. Ward Ginson.
A. F. Campbell.
C. J. Dunphy.
Albion R. Foster.

J. S. King—A. E. Plumer.
M. G. Harmer.
George Jackson.

E. W. Laskey—Garnett W. Birmingham.
C. G. Anslow.
Wendal P. Tedlie.
H. N. Boyer.
F. E. Sayre.
A. D. McCain.

3. Edward Albert Britton.

4. Edward Albert Britton.
Sarah Catherine Currie.
Edward Wallace Laskey.

5. (a) Edward Albert Britton. Unsuitable on account of age and in interest of public service; (b) Sarah Catherine Currie. Unsuitable.

6. Edward Wallace Laskey.

7. Postmaster General consulted parties in Hartland regarding Mr. Britton and Sarah C. Currie.

8. Representations were received to the effect that Mr. Britton and Sarah C. Currie were unsuitable on grounds of age or of character or general qualifications.

9. Yes.

NARCOTIC DRUGS

Mr. ANDERSON (Halton):

1. How many physicians were convicted for violation of the Opium and Narcotic Drug Act, in each province, during the year 1927?

[Mr. Jones.]

2. How many physicians were convicted through the use of drug addicts as spotters?

3. How many drug addicts are there in the employ of the Department of Health as detectives under the act?

Mr. KING (Kootenay):

1.

Quebec	4
Ontario	10
Alberta	1
Total	15

2. None. Agents are not employed who are known to be using narcotics at the time of engagement and, should it be subsequently learned or suspected that such an agent is addicted to narcotics, every effort is made to restrain the usage until the case or cases under investigation are completed, when he is immediately released.

If an agent is engaged who is known or even suspected of having, at some previous time, been so addicted, he is placed in the hands of an experienced and reliable officer of the Royal Canadian Mounted Police and works entirely under his immediate supervision, and his movements and actions are checked by police officers, who give corroborative evidence when required.

3. None.

TELEPHONE COMPANIES—TAXES

Mr. CHURCH:

1. What federal taxes does the Bell Telephone Company pay per annum?

2. What federal taxes does the provincial owned government telephone systems pay (a) in Manitoba, (b) in Saskatchewan, (c) in Alberta?

Mr. EULER: It is contrary to the practice of the department to give information which would disclose the business of an individual concern.

CORKERY, ONT., RURAL MAIL ROUTE

Mr. GARLAND (Carleton):

1. What is the name of the contractor who has the contract for carrying mail on Corkery rural route No. 1, in the county of Carleton?

2. What were the names of those who tendered for this work and the amount of their respective tenders?

3. When does the contract expire?

4. Will tenders be called for at the expiration of the present contract?

5. What complaints, if any, were made to the department during the last twelve months regarding delivery under the present contractor?

Mr. VENIOT:

1. Wm. J. Egan.

2. Tenders were last invited for this service in January, 1920, when the following were

received: Michael Kennedy, Corkery, $900 per annum; Frank Forrest, Corkery, $1,000 per annum, provided post office was transferred to his charge.

The contract which was awarded to Michael Kennedy at $900 per annum has since, by regular transfers and renewals, passed into the hands of Wm. J. Egan.

3. March 31, 1932.

4. As this contract has still four years to run, the probable action on its expiration has not yet received consideration.

5. Only one complaint on file into which inquiry was instituted and adjustment made.

IMPERIAL TOBACCO COMPANY

Mr. DENIS (St. Denis):

1. What quantity of tobacco was manufactured by the Imperial Tobacco Company during the year 1927?

2. Under what classification were these tobaccos manufactured?

3. What was the quantity of tobacco manufactured in each class?

4. What are the excise duties on each class of tobacco manufactured?

Mr. EULER: It is contrary to the practice of the department to give information which would disclose the business of an individual concern.

GREAT LAKES SHIPPING CONDITIONS

Mr. CHURCH:

1. Has the attention of the government been called to the following despatch in Evening Telegram, Toronto, Wednesday, February 8, 1928, as follows: the National Association of Marine Engineers of the great lakes district, in convention at the Walker House to-day, will make an effort to determine the cause and blame for conditions existing in shipping circles upon the great lakes, why some of the largest Canadian bulk freighters and the largest on the great lakes are tied up in dock for as long as three months during the summer season, while American shipping interests practically monopolize the bulk of trade?

2. If so, what is the situation?

3. What steps will the government take to protect Canadian bulk freighters?

Mr. MACKENZIE KING: I should like to draw attention to the wording of this question. The hon. member asks whether the attention of the government has been called to a certain despatch in the Evening Telegram, Toronto, of Wednesday, February 8th, 1928. I would say in regard to questions of the kind that it is really impossible for the government to give an answer that would be at all satisfactory. A newspaper item is a matter of general interest. Members of the government may have their attention drawn to particular items, but it can seldom be said that the government has its attention drawn to items in the press. So far as giving information to the house is concerned, a specific question should be asked, and if that is done it will be answered in so far as it is possible or deemed advisable to give the information; but it is impossible satisfactorily to answer questions which relate simply to newspaper items.

Mr. DEPUTY SPEAKER: Dropped.

RIDEAU CANAL RETAINING WALL

Mr. GARLAND (Carleton):

1. What has been the cost up to the 1st of February of the new Rideau Canal retaining wall at Ottawa?

2. How many men were employed on this work?

3. Who recommended the men so employed?

4. What are the necessary qualifications for a man desirous of securing employment on this work, and what steps does he have to take in order to secure employment?

Mr. DUNNING:

1. $175,500.

2. 376.

3. Members of parliament for the city and district.

4. Physical fitness and the recommendation referred to in answer No. 3.

PACIFIC GREAT EASTERN RAILWAY

Mr. TOLMIE:

1. Have any negotiations taken place or are negotiations now pending for the acquisition of the Pacific Great Eastern Railway by the government of Canada or the Canadian National Railways?

2. If so, what progress has been made?

Mr. DUNNING:

1. As a result of representations made at the Dominion-provincial conference, the president of Canadian National Railways has been requested to investigate the railway problems presented by several provinces, including British Columbia, in relation to possible acquisition by Canadian National Railways.

2. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SHIPMENTS OF GRAIN

Mr. STEWART (Leeds):

1. What was the total number of bushels of Canadian grains of different kinds that passed through Welland canal eastbound during season of navigation 1927?

2. What was the total number of bushels of Canadian grains of different kinds unloaded at Buffalo during season of navigation 1927?

3. What was the total number of bushels of Canadian grain of different kinds unloaded at Georgian bay ports during the season of navigation 1927?

4. What was the total number of bushels of Canadian grain of different kinds shipped by water from the ports of Port Arthur and Fort William, and Duluth, eastbound, during the season of navigation 1927?

5. What was the total number of bushels of Canadian grain of all kinds exported from the ports of Montreal and Quebec during season of navigation 1927?

6. What was the total number of bushels of American grain of all kinds exported from the ports of Montreal during the season of navigation 1927?

RIDEAU HALL

Mr. WOODSWORTH:

What public moneys have been expended for the past ten years for the maintenance of the governor-generalship, classified as salaries, upkeep of Rideau Hall, travelling expenses, general expenses, etc?

CANADIAN NATIONAL RAILWAYS—FUNDED DEBT

Mr. WHITE (Mount Royal):

What amount, if any, of the funded debt of the Canadian National railways is included in the debt of the Dominion, as published monthly in The Canada Gazette?

WHEAT GRADES—WESTERN INSPECTION DIVISION

Mr. COOTE:

What number of cars of wheat of each grade were inspected at each inspection office in the western inspection division from October 1, 1927, to December 31, 1927?

CUSTOMS PROTECTIVE SERVICE—VESSELS

Mr. CANTLEY:

1. How many vessels were employed in the customs protective service in maritime provincial waters during the calendar year 1927?

2. What are the names, type and dimensions of such vessels?

3. What number of seizures of vessels were made during 1927, what were the names of such vessels seized and how were they disposed of?

4. What was the value of spirits, and of goods seized on such vessels during 1927?

5. What was the cost of operation of the fleet of vessels employed in the customs protective service in the maritime provincial waters during the calendar year 1927?

6. What vessels were added to the service during 1927, by whom built and what dimension and type?

7. How many of said vessels are the property of the department, what names or numbers are they known by?

8. What vessels employed in said service are chartered or hired, and what are their dimensions, type and hire rate?

9. How many additional vessels will be placed in the service during 1928, and what will be their dimensions, type, where built, by whom, and at what cost?

10. Are any vessels for the customs protectinve service now on order?

11. If so, of what dimensions, type, and where are they being built and at what cost?

[Mr. H. A. Stewart.]

IMMIGRATION REGULATIONS—MEDICAL EXAMINATION

Mr. CHURCH:

1. Has any change been made in immigration regulations in countries where medical examinations of immigrants are made?

2. If so, what are the changes, who authorized the same and why?

3. To what countries do the new regulations apply, (a) in Great Britain, (b) the United States, (c) the continent of Europe?

4. Does the said new examination apply to (a) Germany, and (b) Italy?

JAPANESE IMMIGRATION

Mr. NEILL:

1. How many Japanese landed in Canada for the first time, according to Canadian government returns, during the calendar year 1927?

2. At what ports did they land?

3. How were they classified as to: (a) occupation; (b) sex?

CHINESE IMMIGRATION

Mr. NEILL:

1. How many Chinese landed in Canada for the first time, according to Canadian government returns, during the calendar year 1927?

2. Of those entering how many came as: (a) members of the diplomatic service and their servants; (b) merchants; (c) students; (d) under section 9, chapter 38 of the Chinese Immigration Act, 1923 (permits)?

3. What was the classification as to occupation of those admitted under said section 9, chapter 38?

4. During the year were any existing permits renewed or extended for a further period, and if so, how many and for what further period?

IMMIGRATION—ASSISTED PASSAGES

Mr. CLARK:

1. To what countries is an assisted passage available?

2. How many immigrants, specifying country of origin, has Canada secured under the system of assisted passage by years?

3. What is the total cost to the immigrant of an assisted passage?

4. What has been the total cost to Canada by reason of the system of assisted passage?

5. What is the cost of transportation to an immigrant other than one given assisted passage, from (a) Copenhagen, (b) London, (c) Blaine, U.S.A., to (a) Edmonton, (b) Vancouver?

6. What assistance is given to last mentioned immigrants in locating and acquiring lands. (a) financially, (b) otherwise?

7. What is the cost of transportation to a Canadian residing in (a) Halifax, (b) Vancouver, who desires to locate on land in the vicinity of Edmonton?

8. Is any assistance given by the government of Canada to Canadians desirous of settling upon the country's vacant land (a) financially, (b) in location of lands, (c) in acquiring of lands, (d) otherwise?

9. What proportion of immigrants, specifying country of origin, have settled upon agriculture lands in (a) 1923, (b) 1924, (c) 1925, (d) 1926, (e) 1927?

10. What proportion of the last mentioned immigrants have remained upon agricultural lands?

11. What proportion of all immigrants coming into Canada for the years referred to in paragraph 9 have remained in Canada?

SOLDIER SETTLEMENT

Mr. CLARK:

1. Has the Department of Immigration or other department of the public service sent representatives of the soldier settlement board to Great Britain?

2. If so, for what purpose?

3. How many representatives have been sent and from what provinces?

4. Are such representatives instructed to secure settlers for lands vacated by ex-service men settled pursuant to the provisions of the Soldier Settlement Act?

5. Are lands formerly occupied by soldier settlers disposed of to new settlers on terms more favourable than those enjoyed by the former soldier settlers?

6. Are ex-service Canadians not now on the land given a prior opportunity of settling the last mentioned lands upon the terms offered the new settler?

7. Are loans available to-day to ex-service Canadians desirous of settling upon the land?

IMMIGRATION, 1921-27

Mr. CHURCH:

1. What number of immigrants arrived in Canada during the years 1921-1927, (a) from Great Britain, (b) the continent of Europe, and (c) the United States?

2. What sums of money during these years were spent on each of the above-mentioned classes?

DOMINION REVENUE AND SUBSIDIES

Mr. CHURCH:

1. What was the total revenue of the government from all sources for the last year of record?

2. What subsidies and other payments were paid to the various provinces the last year of record?

3. What portion of this estimated cash revenue is contributed by each of the nine provinces and the respective amounts from each province?

4. After deducting cash subsidies from actual cash contributions of each province to federal revenues, what is the rate per capita on the last census per province of cash taxes paid per head, and what net cash taxes are paid by each province?

UNOPPOSED MOTIONS FOR PAPERS

CIVIL SERVICE SUPERANNUATION

Mr. CHEVRIER:

For a return showing:—

1. The number of contributors to superannuation fund No. 1 as of date 1st December, 1927.

2. The number of contributors to superannuation fund No. 2 as of date 1st December, 1927.

3. The number of contributors to superannuation fund No. 5 as of date 1st December, 1927.

4. The number of contributors to the retirement fund as of date 1st December, 1927.

5. The number of former contributors to superannuation fund No. 1 who are now contributing to Fund No. 5.

6. The number of former contributors to superannuation fund No. 2 who are now contributing to Fund No. 5.

7. The number of former contributors to the retirement fund who are now contributing to fund No. 5.

8. The amount standing to the credit of superannuation fund No. 2 as of date 1st December, 1927.

9. The amount standing to the credit of superannuation fund No. 5 as of date 1st December, 1927.

10. The amount standing to the credit of the retirement fund as of date 1st December, 1927.

11. The amount voted by parliament as contribution to superannuation fund No. 2 for fiscal year ending 31st March, 1927.

12. The total amount provided by parliament as contributions of employer to superannuation fund No. 5 since that fund was established.

13. The amount voted by parliament as contributions of employer to superannuation fund No. 5 for the fiscal year ending the 31st of March, 1927.

14. The total disbursements on account of gratuities from superannuation fund No. 5 for the year ending 31st of March, 1927.

15. The total disbursements on account of gratuities from superannuation fund No. 5 for period from 31st March, 1927, to 1st December, 1927.

16. The total disbursements on account of annuities from superannuation fund No. 5 for the year ending 31st March, 1927.

17. The total disbursements on account of annuities from superannuation fund No. 5 for the period from the 31st of March, 1927, to 1st of December, 1927.

18. The total disbursements on account of superannuation fund No. 1 for the year ending 31st of March, 1927.

19. The total disbursements from superannuation fund No. 2 for the year ending 31st of March, 1927.

20. The total amount of interest paid by the government for the use of the amount at the credit of superannuation fund No. 5 during the fiscal year ending 31st of March, 1927.

EXPORT OF ELECTRIC POWER

Mr. STEWART (Leeds):

1. For a copy of all orders in council relating to the exportation of electric power.

2. Of all leases and renewals thereof containing provisions relating to the exportation of electric power.

3. Of all regulations passed by the governor in council relating to the exportation of electric power.

RAILWAY BELT WATER ACT

Mr. FRASER:

For a copy of all correspondence, telegrams, reports and memoranda exchanged between the government of Canada and the government of British Columbia or any official or officials of either or both governments, relating to amendments to the Railway Belt Water Act, section 5, chapter 15, statutes of 1926.

CANADIAN GOVERNMENT STEAMERS—BUNKERING

Mr. SMITH (Cumberland):

For a copy of all correspondence, telegrams, reports, resolutions and agreements, or other documents exchanged between any government department, member of the government, or government official at Ottawa; with anyone in the city of Halifax, or elsewhere in the province of Nova Scotia, during 1927; and up to the present in 1928, on the matter or subject of the fueling or bunkering of Canadian government steamers (not the C.G.M.M.).

GRADING OF LIVE STOCK ETC.

Mr. KENNEDY:

For a copy of all correspondence, letters, telegrams, reports and other documents received by the department of Agriculture or any other department of the government of Canada since January 1, 1927, relating to the grading of live stock or live stock products for home or export markets or to the Legislation proposed or passed regarding live stock and live stock products in the session of 1927.

CLEARING OF LAND BY FIRE

Mr. KENNEDY:

For a copy of all correspondence, letters, telegrams, and other documents in the custody of the Department of the Interior or other department of the government, relating to the clearing of land by fire.

ROCKFORD, SASK., POST OFFICE

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the removal of the post office of Rockford, Saskatchewan, from the residence of Mrs. M. Montgomery to that of Mr. M. Weightman.

MALONECK, SASK., POST OFFICE

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the removal of the post office of Maloneck, Saskatchewan, from the residence of Mr. W. S. Jones to another part of the district.

SAINT FRONT, SASK., POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of Joseph Lalonde from the position of postmaster at Saint Front, Saskatchewan, and in connection with the appointment of his successor.

POPLAR BLUFF, SASK., POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of Mr. W. Stasink from the position of postmaster at Poplar Bluff, Saskatchewan, and the removal of the office from the original location.

[Mr Fraser.]

HYAS, SASK., POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the proposed change in the position of postmaster at Hyas, Saskatchewan.

FORT PELLY, SASK., POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of J. Schram from the position of postmaster at Fort Pelly, Saskatchewan, on the charge of political partisanship; and also all similar papers in connection with the appointment of his successor.

GOVERNMENT REPORTS—PUBLICATION IN FRENCH AND ENGLISH

Mr. PARENT:

For a return showing:—

1. A list of the various government reports published in the English language only.
2. A list of the various government reports published in only one of the two official languages.
3. The number, title of publication and place where printed, giving the name of the department responsible for the printing and publication, including engraving and photographs.

SOUTH SAULT RAPIDS DAM

Mr. STEWART (Leeds):

For a copy of all correspondence, telegrams, resolutions, orders in council, reports or other documents in the custody of any department of the government of Canada or of the joint International Waterways Commission, in any way relating to the construction or maintenance of a dam in the South Sault rapids of the river St. Lawrence between Barnhart island and the main shore of said river, in the state of New York.

DIVERSION OF WATER AT MASSENA, N.Y.

Mr. STEWART (Leeds):

For a copy of all correspondence, telegrams, orders in council, reports, resolutions, agreements or other documents, in the custody of any department of the government of Canada or of the joint International Waterways Commission, in any way relating to the diversion of water for power purposes at or near Massena, in the state of New York.

JUDGES' SALARIES AND PENSIONS

Mr. CAMPBELL:

For a copy of the memorandum presented to the government by the county and district court judges recently, in connection with their appeal for an increase of salary and the granting of a pension.

NUT MOUNTAIN, SASK., POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all letters, correspondence, and other documents in connection with the dis-

missal of Mr. H. Stevens from the position of postmaster at Nut Mountain, Saskatchewan, on the charge of political partisanship, and also in connection with the appointment of his successor.

NATIONAL SYSTEM OF BANKING

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this house, the time has come for the establishment of a national system of banking.

He said: Mr. Speaker, in 1925 I moved a resolution looking in the direction of such action in these words:

That, in the opinion of this house, it is not in the interests of the country at large that the privilege of issuing currency and of controlling financial credit should be granted to private corporations.

In 1926 I moved a resolution similar in terms to that now under discussion. I recognize very clearly that a fully developed system of national banking is not immediately practicable. In fact, the terms of my resolution have been criticized by some of my friends as suggesting that we would at once wipe out all private banks. That is by no means the thought behind the resolution. On the other hand, some have suggested that we already have a national banking system. But I do not think that it will seriously be contended that the present system is "national" in the sense of being nationally controlled. My resolution would look to a larger measure of control of the existing chartered banks, and more than that, towards more widespread public banking facilities. In my speech two years ago in support of the resolution I then moved I said that it seemed to me there were certain measures which might be adopted. First of all, currency should be issued by the government. Secondly, our postal savings banks should be developed and modernized and freed from red tape. Thirdly, the provincial savings banks might be given full banking privileges. Fourthly, there should be larger facilities for cooperative credit. Fifthly, a central bank board should be created.

Now, Mr. Speaker, it would seem to me that it is in this last direction we must look if we would make a beginning in a thoroughgoing system of national banking. It is quite possible that with the enlargement of the functions of the present treasury board we might be able to work out a central bank board which would be responsible for the issue of currency and would become a bank of re-discount. I might say that at the present time there is considerable agitation in Great Britain for the nationalization of the Bank of England, which we all recognize is there functioning as a central bank, but is still under private control.

Mr. SANDERSON: Would the hon. member permit a question? For my own information I should like to know wherein his scheme of a national banking system differs from our present system of banking?

Mr. WOODSWORTH: I will devote the next half hour to an explanation of that point. I would respectfully ask the Minister of Finance (Mr. Robb) to allow this resolution, if possible, to go before the banking and commerce committee. I have no clear cut and dogmatic scheme to propose to the house at this moment; it does not seem to me that this would be wise. I will say however that there is a very widespread feeling in the country that some better means should be devised than that which exists just now for affording the public wider banking facilities and more properly controlling the issuance of currency and re-discounting. Policies with regard to these matters might be worked out in committee.

In answer to the question just put to me, I should like to submit some of the considerations which have led me to urge this step. The need for a national control of our financial system arises first of all from the concentration of financial and industrial control which today places our resources very largely in the hands of comparatively few individuals or corporations. In 1922 information was placed on Hansard by Mr. Andrew McMaster showing how fifteen men controlled corporations with assets amounting to $4,285,000,000. The total assets of the four largest banks in Canada—the Bank of Montreal, the Royal Bank of Canada, the Bank of Nova Scotia and the Canadian Bank of Commerce—on November 30, 1927, were given at $2,529,488,192. I have in my hand a list of the directorates of these four big banks. This list was prepared by Mr. J. McA. Conner of Toronto and I notice that on the boards of these four banks there are ninety-two directors, these directors averaging fourteen directorates each: that is to say, each man, on the average, is a director on fourteen boards. The outstanding example is that of Sir Herbert Holt, who is becoming a sort of Canadian Stinnes, branching out into almost every department of industry and commerce.

Mr. CASGRAIN: Why not?

Mr. WOODSWORTH: I am not blaming him for so doing— I fancy many other men would be glad to do likewise. I am merely stating facts as they exist and as revealed by this list, which as Mr. Conner says, is not

complete but subject to constant revision. With the consent of the house I would ask that this list in so far as it relates to Sir Herbert Holt be incorporated in Hansard. It shows altogether some 135 directorates:

Royal Bank of Canada.

Sir Herbert Holt.
- Montreal Light, Heat & Power Consolidated.
  - Montreal Light Heat & Power Co.
  - Montreal Gas Co.
  - The Royal Electric Co.
  - Montreal & St. Lawrence Light & Power Co.
  - Imperial Electric Co.
  - Lachine Rapids Hydraulic & Land Co.
  - Citizens Light & Power Co.
  - Temple Electric Co.
  - Standard Light & Power Co.
  - Provincial Light, Heat & Power Co.
  - Cedar Rapids Mfg. Co.
  - Merchants Light Heat & Power Co.
  - Quebec-New England Hydro. Elec. Corp.
  - Dominion Light & Power Co.
  - St. Pauls Electric Light & Power Co.
  - Montreal Electric Co.
- The Shawinigan Water & Power Co.
  - Canadian Carbide Co.
  - Can. Electric Product Co.
  - Shawinigan Engineering Co.
  - North Shore Power Co.
  - Electric Service Corp.
  - Laval Electric Co.
  - Continental Heat & Light Co.
  - Athabasca Water & Power Co.
  - Shawinigan Falls Terminal Ry. Co.
  - Three Rivers Traction Co.
  - St. Francis Water & Power Co.
  - Sorel Light & Power Co.
  - St. Maurice Power Co.
  - Thetford Mines Electric Co.
  - Beauharnois Electric Co.
  - Portneuf Hydro Electric Co.
  - Consolidated Electric Products Co.
- The United Securities Ltd.
  - The Montreal Tramways.
  - The Montreal Land & Development Co.
  - The Miacet Chemical Corp.
  - The Montreal Hydro Electric Co.
  - The Canadian Light & Power Co.
  - The Consolidated Securities Ltd.
- Port Alfred Pulp & Paper Co.
- Wayagmack Pulp & Paper Co.
- Wayagmack News Co.
- The Anticosti Corporation.
- The Fort William Paper Co.
- The Hillcrest Collieries Ltd.
- The Holt Renfrew Co. Ltd.
- The Hydro Electric Bond & Share Corp.
- The Investment Bond & Share Corp.
- The Kamanistiqua Power Co. Ltd.
- The Canadian National Corp. Ltd.
- The Canadian General Electric Co.
  - The Canadian Allis Chalmers Co.
- The Dominion Bridge Co. Ltd.
  - The National Bridge Co. of Canada.
  - The Robb Engineering Works (Amherst N.S.).
  - The Canadian Tillsoil Farm Motors Ltd.
- The Dominion Textile Co. Ltd.
  - Dominion Cotton Mills Ltd.
  - The Montmorency Cotton Co.
  - The Merchants Cotton Co.
  - The Colonial Bleaching & Printing Co.
  - The Mount Royal Mill Co.
- The Famous Players Canadian Corp.
- The St. Maurice Valley Corp.
  - The Canada Paper Co.
  - The Belgo-Canadian Paper Co. Ltd.
- The Canadian Pacific Railway Co.
  - Can. Pacific Express Co.
  - Alberta Yards Co.
  - Esquimalt & Nanaimo Ry. Co.
  - Spokane International Ry. Co.
  - Coeur D'Alene & Pend D'Oreille Ry. Co.
  - Chateau Frontenac Hotel Co.
  - Quebec Central Ry. Co.
  - Montreal & Atlantic Railway Co.
  - St. John Bridge Ry. & Extension Co.
  - The Hull Electric Ry. Co.
  - Minn. St. Paul, and Sault Ste. Marie Ry.
  - Duluth, South Shore At. Ry. Co.
  - Wisconsin Central Ry. Co.
  - Canadian Pacific Steamboats Co.
- The Consolidated Mining & Smelting Co. of Canada.
  - The Henry Gardiner Co. Ltd.
  - A. Cameron Co. Ltd.
  - War Eagle Cons-Mining & Devel. Co. Ltd.
  - Centre Star Mining Co.
  - St. Eugene Consolidated Mining Co.
  - The Rossland Power Co.
  - Phoenix Amalgamated Copper Mines Ltd.
  - Fort Steel Mining & Smelting Co. Ltd.
  - Le Roi Mining Co. (Rossland).
  - The Virginia & Abe Lincoln Mines Ltd.
  - Coast Copper Co.
  - White Bear Mining Co.
  - Sunlock Mines Ltd. (Vancouver).
- The West Kootenay Power & Light Co.
  - Cascade Waterpower & Light Co.
  - South Kootenay Water & Power Co.
  - Rossland Water Power Co. Ltd.
  - Okanagan Water & Power Co.
  - Northport Power & Light Co.
- The Fort William Power Co.
- The Monteray Railway Light & Power Co.
- The Consolidated Gas & Electric Co. of Baltimore.
- The Paton Mfg. Co.
- The Ritz-Carlton Hotel Co.
- The Montreal Cottons Co.
- The Tucketts Tobacco Co.
- The Ogilvie Flour Mills Ltd.
  - Tree Line Steamship Co.
- The Title Guarantee & Trust Co. Ltd.
- The Pennsylvania Water & Power Co.
  - Susquehanna Power Co.
- The Price Brothers Ltd.
  - Quebec Pulp & Paper Mills Ltd.
- The Imperial Writing Machine Co. Ltd.
- The Imperial Life Assurance Co. of Canada.
- The Sun Life Assurance Co. of Canada.
- The Royal Bank of Canada.
- The British Empire Steel Corp. Ltd.
  - Nova Scotia Steel & Coal.
  - Dom. Steel Co.
  - Dom. Iron & Steel Co.
  - Dom. Coal Co.
  - Sydney & Louisburg Ry. Co.
  - Eastern Car Co.
  - Dom. Shipping Co.
  - Acadia Coal Co.
  - Cumberland Ry. & Coal Co.
  - Halifax Shipyards Co.
  - Nova Scotia Land Co.
  - Wasses Steamboat Co.
  - Sydney Lumber Co.
  - Jas. Pender Co. Ltd.

It seems to me that when you have such vast power placed in the hands of one man or corporation it is high time that business

men generally throughout the country asked themselves whether they were getting that opportunity for development which might be afforded if there were a wider distribution of financial control. My contention is that a few men not directly responsible to the people are able to manipulate the whole of the money and credit of the country in their own interests. Perhaps we in the west feel this more keenly than do the people in eastern Canada. We all know that the two great banking centres in Canada are Toronto and Montreal. All the institutions are centred there and we often feel that industrial concerns that have their headquarters in these two cities are apt to get credit facilities that are not accorded in the same measure to other institutions with headquarters in other parts of the country. In fact, I am not so sure that throughout Canada there is not a rising feeling that Canadian money ought not to flow so easily and freely to enterprises outside the Dominion. Why should Canadian money be sent to Cuba or Mexico or various republics in South America when apparently we require money for purposes of development in this country itself?

Some hon. gentlemen may remember a rather remarkable statement made during the election of 1925 by Sir Clifford Sifton. He said:

> We are rapidly approaching that condition in which two or at most three banks will be doing the whole of the business of the Dominion and you will have the spectacle of about three men sitting on the whole of the funds of the people of Canada deposited in the banks and deciding to whom they will loan these funds.

And again:

> If anything would justify an armed rebellion against the established condition of affairs I think such a consummation of our banking system is the one thing that would justify it.

An hon. MEMBER: Sedition.

Mr. WOODSWORTH: Somebody suggests that this is sedition. Well, such an utterance might be seditious in the mouths of some of my comrades in the working class, but I suppose it is comparatively safe for Sir Clifford Sifton to make this statement.

I ask, in the next place, why should the banks be given the valuable franchise of issuing currency? Long ago certain people approached the great teacher of that day and asked him a question concerning taxation. He produced a penny and put this query to them: Whose image and superscription is this? I would produce two bank notes, first, a dollar bill, and would ask the same question: Whose is the image and superscription? And the answer?—King George's. But I produce a ten dollar bill and when I ask the same question—whose image and superscription does this bear?—the answer is: the image and superscription of Sir Frederick Williams-Taylor and the image and superscription of Sir Vincent Meredith. In Canada, it would appear, the one dollar bill is good enough for the king, while with the fives and tens and everything higher, quite evidently, we admit the sovereignty of the money kings. There are some gentlemen in this house who sometimes upbraid us for what they regard as our lack of patriotism. Let me say to my patriotic friends to-day, "Help me to put the king's image and superscription on every bill in Canada."

I want now to pass on to a still more important consideration, namely, the control of credit. I take it that credit to-day is recognized as the life blood of trade; we cannot do business nowadays without credit. We all recognize how essential it is. And yet, as I pointed out a little while ago, credit is concentrated in the hands of comparatively few. More than that, I say that credit largely determines the purchasing power of the dollar. A few years ago a farmer said to me, "I am not going to put my money in the bank any longer; I am going to keep it in my jeans where it will be safe". I remarked, "You don't know the power of the banks. You may put your dollar into your pocket and fancy that it is safe, but when it comes out it may be worth only fifty cents". That is high class juggling, and in all seriousness it is the power which is possessed by private corporations to-day.

I wish to spend a few minutes on this economic aspect, which I know is not altogether easy; it is a technical question. It has been generally recognized that the amount of money in circulation is closely connected with the price level. Some practical bankers, absorbed in the routine of their business and thinking of currency only, are apt to take the position that changes in the price level lead to the expansion or contraction of the volume of money in circulation. Other bankers of note and most economists lay stress on the fact that the amount of money largely determines the price level. I am not going into that rather technical question, but I would quote such a leading economist as Professor Taussig, who says:

> Double the quantity of money, and, other things being equal, prices will be twice as high as before and the value of money one-half. Halve the quantity of money, and other things being equal, prices will be one-half of what they were before and the value of money double.

Mr. CAMPBELL: That is, prices as measured in terms of money.

Mr. WOODSWORTH: Yes, as we always do measure prices. When there was only gold in existence, the expanding trade of the world had to be taken care of by the discovery of new deposits of gold until the invention of bank notes came about. That helped immensely; in fact, without bank notes I do not see how the enlarged trade of the world possibly could have been taken care of. There was still the old fashioned theory that the bank notes represented gold, but during the war we learned that gold was not of any very great consequence after all, but that the quantity of bank notes might alter the cost of living. We all know what happened in Germany and Russia, and later on in France; the printing presses were set to work, and the faster the money was printed the less that money was worth, and conversely the higher the cost of living rose. So we learned that it was not merely the quantity of gold which determined the cost of living but the quantity of bank notes in circulation as well.

That is generally accepted now, but I would submit that there is a third kind of money. I know the bankers do not like to admit that it is money, but we have very good authority for calling it such. I refer to the chequeing system, because it is by the chequeing system to-day that we do some 96 per cent of the business of Canada. Cheques function as money, and I submit that the amount of credit issued affects the price level, or in other words the purchasing power. If you put so much more gold into circulation you send prices up; if you put so many more bank notes into circulation you raise the price level, and if you extend the credit of the country without extending the volume of business you also raise the price level. This is the most important matter in this connection, yet over this extension or contraction of credit the government has absolutely no control. The only way you can increase the quantity of gold is to discover new gold fields or to improve the processes of mining; the control of bank notes comes either directly or indirectly under the government, but the extension or the contraction of credit is a matter entirely under the authority of the banks themselves.

In 1926, when this matter was last debated in this house, the hon. member for St. Lawrence-St. George (Mr. Cahan) made a contribution to the debate by "talking out" the resolution.

Mr. CAHAN: I had only three minutes in which to speak, if I remember correctly.

[Mr. Woodsworth.]

Mr. WOODSWORTH: Just before six o'clock my hon. friend moved the adjournment of the debate, which he knew very well would shut off further discussion for that year. He characterized speeches from this corner of the house, presumably including my own, as "wild and irrelevant propaganda," and suggested that there was "no limit to ignorance."

Mr. CAHILL: That was a good deal to say in three minutes.

Mr. WOODSWORTH: That was indeed a lot to say in three minutes. To-day I would like to quote some authorities which I think even the hon. member for St. Lawrence-St. George may accept. There are a number of lawyers in this house, so perhaps we may think of this as a court room, and my star witness to-day is Right Hon. Reginald McKenna, chairman of the Midland bank of England, a noted banker known all over the world and one to whom, since he has become a director of the Canadian Pacific Railway, I presume even the people in St. James street will have to listen. I would quote from his speech as I found it reported in Saturday Night under date of April 5, 1924, in which he discusses this question of trade stability as follows:

> Ups and downs in trade we are bound to have but wise monetary policy can always prevent the cyclical movement from going to extremes.

He discusses the amount of money and the price level to which I referred a few moments ago, and says:

> If the price level be unchanged, an increase in the volume of trade will require an increase in the volume of bank credit and currency, that is to say, money.

I said a little while ago that by "money" I included not merely gold and bank notes but also cheques, and I would now give as my authority Mr. McKenna, who says very clearly:

> I understand by it—

That is, money.

> —all currency in circulation among the public and all bank deposits drawable by cheque.

Mr. MALCOLM: Will my hon. friend permit a question? He does not suggest that a cheque, which is merely an order to a banker to pay some money, is cash? If I heard him correctly, he quoted Mr. McKenna as saying that bank deposits payable by cheque were money.

Mr. WOODSWORTH: Quite so, but the Minister of Trade and Commerce knows perfectly well that in commercial banking loans are classed as deposits. I think we should have that very clearly in mind. Mr. McKenna is not thinking merely of savings de-

posits but also loans which are classed as deposits. Dealing with the question of the quantity of money he says:

> Under the system which prevails in our country there is only one method by which we can add to or diminish the aggregate amount of our money. Gold coin is no longer minted, and additional paper currency is not issued except to meet the demands of the public. . . The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. . . Every bank loan and every bank purchase of securities creates a deposit, and every re-payment of a bank loan and every bank sale destroys one.

He deals very specifically with the way in which we have thus given to the banks the power of really making money. He uses this phrase:

> While banks have this power of creating money—

I do not believe many citizens of Canada realize that the banks are given the right in this way actually to manufacture money. I am not talking now of bank notes but about the third kind of money, cheques. The issue of such loans has the same far-reaching economic effect as the issue of currency. "Coining" was at one time a capital offence; now we have handed over to the banks the privilege of manufacturing money. I would not suggest that we again make coining a capital offence because I am against capital punishment, but surely it is a serious thing to give over that great power to private corporations.

I am going to anticipate one or two objections which may be raised here. Someone may ask, "What about the gold standard?" —on which we were all brought up. Mr. J. M. Keynes, in Monetary Reform, says:

> Gold itself has become a "managed" currency.

Professor Gustav Cassel, a banker of international repute who is by no means a great radical, speaking before the institute of Bankers in London on June 11, 1924, said:

> The gold standard can no longer be regarded as an absolutely objective standard outside every political discussion.

And Mr. McKenna, in his report of a year ago says:

> Thus we see that the gold standard is by no means the "automatic" mechanism it is commonly alleged to be, since the bank merely by buying, or selling, lending or calling in loans, can within limits prompt an expansion or contraction of credit regardless of movements of gold.

Let me repeat that:

> —regardless of movements of gold.

Those in the house in 1923 will recall the ridicule poured upon Mr. W. C. Good, then a member of this house, and my hon. friend the member for Wetaskiwin (Mr. Irvine), because in their arguments they connected the quantity of money with the price level. I would suggest that already their position is being vindicated.

Even our Canadian bankers are beginning to see the light. The Royal Bank of Canada in April, 1927, refers to Mr. McKenna's speech as "the outstanding financial speech of the year,—a remarkable description of the relationship between commercial and industrial activity on the one hand, and the quantity of money in circulation on the other."

Mr. C. E. Neill, president of the Canadian Bankers Association at the annual general meeting in 1926—and let me say I am quoting from the Montreal Gazette, which again I presume is a safe paper to quote from in this connection—said:

> With the United States and India absorbing gold, other countries are learning that the regulation of the quantity of currency may serve their purpose in securing stable currency just as well as the maintenance of heavy gold reserves.

"Stable currency", says Mr. Neill. He has either not sensed or wishes to conceal the more important factor of credit. Mr. McKenna has no such fears as our Canadian bankers seem to have. He gives a lesson in applied economics. I quote again from Mr. McKenna:

> An increase of credit gives rise to a greater demand for commodities, stimulates trade, and brings more people into employment.

He discusses the bogey of "easy money"; and you remember that when we brought forward our proposals before, all that was necessary for the advocates of the present system to do was to get up and denounce us as "advocates of easy money". We were nothing of the kind but we did say that credit should keep pace with the development of business, and we suggested that that had not been the case under the policy which had prevailed some years ago in this country. Here is what Mr. McKenna has to say with regard to the danger of inflation:

> If the supply of new money does no more than keep pace with the increase in production, there is, in fact, no inflation whatever.

Now let me ask who determines the quantity of money? I said a little while ago that in the old days of gold money it was decided very largely by the activities of the miner. In the case of paper it is either directly or indirectly under the control of the government. I suggested however that

the expansion of credit facilities comes entirely within the powers of the private banks. What has Mr. McKenna to say on this point?

Apart from the action of a bank, the public in practice are powerless to increase or diminish permanently the total of money.

And incidentally he disposes of the idea of driving money out of the country. We are told that if we put some of our theories into practice it will drive money out of this country. Yes, somebody behind me suggests, the income tax—it would drive money out of the country. Here is what Mr. McKenna says:

It is not the money that moves, but the title to the money.

Which in its effect upon the financial structure of the country is an entirely different matter. Again Mr. McKenna has this to say:

Fluctuations in the quantity of money cannot under present conditions be accounted for by anything done independently either by the public or the government.

I pause for a moment to emphasize the last statement. If the quantity of money, as we tried to show, affects the price levels, the cost of living for the masses of the people, it seems most extraordinary that the public, or even the government, should have no voice whatever in deciding the quantity of money, and hence in determining the price level. Yet that is the statement, as I interpret it, made by Mr. McKenna.

Now let us take a look back to see how the monetary policy actually worked out in Canada, especially a few years ago. What did the banks do in the years immediately succeeding the war? Some of you business men, some of you industrialists, some of you farmers know the hard sledding that you had when the rigorous application of deflation came. How did this deflation affect the banks? Well, I would point out that the banks did not suffer very much. If you care to look at the pamphlet Diamond Jubilee of Confederation in Canada, Sixty Years of Canadian Progress, at page 116 you will see that the assets of the banks show but a very slight decrease during those years, nothing at all comparable to the decrease that took place in the assets of most of the private firms in this country. I come back to Mr. McKenna; I must not forget my "star witness"; I should like to have his help in this debate. He says:

To check the growth of credit when the population is steadily increasing and vast numbers of men and women are out of employment is obviously to cut off all hope of trade expansion. . . . What actually ensues when the money decreases is long continued trade depression.

The particular political party which happens to be in power at the moment is not responsible in my opinion for trade expansion or trade depression. I may say that the immediately previous paragraph quoted is not in the document issued by the Royal bank which contains portions of Mr. McKenna's speech. That document, however, does quote Mr. McKenna as to the need for a new financial system. Mr. McKenna further says:

An exhaustive enquiry into the principles on which a central bank should be founded and should conduct its operations would be of immense service to the public. The present system may have suited conditions in 1844, when deposit banking was in its infancy. It might conceivably suit conditions to-day, but if so, only as the results of accident. It has survived for eighty years by virtue of its own suspension in times of crisis, the phenomenal supersession of the use of currency by that of cheques, and fortuitous discoveries of gold. The vital need for the future is to ensure that the maintenance of prosperity, with a growing population and ever-improving standard of living, both requiring an expansion in the volume of trade, shall not be hampered by false restrictions on the quantity of money.

I would emphasize his closing words as follows:

We need careful and expert consideration of the theoretical basis and practical technique of our credit and currency system.

If this resolution goes to the banking and commerce committee I hardly can hope that in that committee we shall have any very careful consideration of the theoretical bases and practical technique of our credit system; but I would say that we can consider the matter with a view to its ultimate reference to a committee or commission of experts who would give full consideration to the subject and place before us data upon which we could form an intelligent judgment. I do not think I need to add anything more along these lines.

I might note that a declaration by thirty-one nations at the economic conference at Genoa in 1922 was in favour of stable currencies and a stabilized price level through control over the national credits. So that the principle is recognized by the international financiers. Without going into detail regarding what other nations have done, I think I might have time to read just a short note concerning the Commonwealth Government Bank of Australia:

In exercising central banking functions since 1924, the Commonwealth Government Bank, it was stated, has given considerable assistance to other financial institutions. In the twelve

months to the end of June last, the profits of the bank, excluding the note issue department, amounted to £580,987, as compared with £461,296 in the previous year.

The benefits of the rural credits department of the bank were extended to wool, wheat, cotton, wine, butter, eggs, egg pulp, peanuts, canned and pulped fruits, dried fruits, osmiridium, broom millet, arrowroot, maize, and fortifying spirit. The turnover of this department for the year was £8,004,577, as against £2,732,392 in 1926.

The profits of the note issue department of the bank were £1,136,476, of which £852,357 was paid to the consolidated revenue fund and £284,119 to the capital of the rural credits department.

This information, I might say, ought to be reliable because it comes from the Commercial Intelligence Journal issued by this government.

If I might recapitulate what I have been trying to say, I would urge that we need greater government control than we have at present because we have reached a stage of industrial and financial development when a few men, not directly responsible to the people, control the money practically of the whole people of Canada.

Secondly, the banks still have in their own hands the valuable franchise of issuing currency. This should not be given to any privileged group. The issue of money is essentially a government function.

Thirdly, I went on to speak of the control of credit. It is necessary to have some central control in order that the weaker portions of the country and the weaker industries can be protected against those strong concerns which now are working in such close cooperation with the banks. Further, as undoubtedly, according to the authorities I have quoted, the amount of money in circulation, including the credit which is given, has a direct bearing on the costs of living it is all important that this function, too, should be controlled by officials who are responsible to the public, and not to irresponsible private corporations.

There is a fourth point which I have not had time to develop, but which I shall simply mention in closing, and that is that if some plan of this kind could be carried out it would assist materially in government financing. Only the other day we had introduced by the government a proposal to raise a loan of $500,000,000 for Canada. I suppose the way we will raise that money is to go out on the money market and pay a high rate of interest, with commission charges, and all that kind of thing. Surely, if we had even a fully developed savings bank system, we could do better. If we had an institution along the line I have indicated, the government would then be enabled to do its own financing on much more advantageous terms than is possible under the present system.

I think that these considerations which I have tried to advance, Mr. Speaker, are sufficient to warrant us in at least going so far as to discuss this matter in the committee that is being set up to deal with matters relating to banking in this country. When a few years from now we come to a revision of the Bank Act, we shall be told that we must deal with the Bank Act itself, that there is no time to go into more fundamental questions relating to finance. I would therefore suggest that as we are not now pressed for time, we take advantage of the opportunity to study this matter. In this way the consensus of opinion of the whole committee will be obtained, and as I have suggested this might possibly lead to the formation of some sort of commission of experts which would indicate to the government the lines along which Canada could best proceed.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I had hoped that the Minister of Finance (Mr. Robb) would make a statement to the house with regard to the resolution which has been placed before the house by the hon. member for Winnipeg North Centre (Mr. Woodsworth), and thereby save further discussion; but if he wishes first to hear it further discussed I shall be glad to submit a few words in regard to it.

The subject under discussion is I think one of the most important we have had to consider. It is a subject that now is coming before this house annually, a subject to which more and more people throughout this Dominion are giving a great deal of study. Although some six years ago when it was first brought up in the house the subject was more or less ridiculed, and the chamber was usually empty while the discussion was proceeding, I am very glad to notice that to-day quite a large number of members are becoming interested in this question.

I am interested in the resolution because it is one step towards asking the government to take some hand in the control of the credit of this country. To-day we have a monopoly in the hands of a very few men, a monopoly which is not in my opinion the best thing for any country. A monopoly is never a good thing, and a monopoly in finance is the worst of all. The recommendation, therefore, to have some sort of government

control even through a bank of federal rediscount would in my opinion be a very good thing for Canada as a whole.

In recommending changes it is always well to state what is the matter with the present system. To-day we have in Canada just eleven private organizations called banks, whereas twenty years ago we had some thirty-two; so you see, Mr. Speaker, that it is becoming a closer and closer monopoly year by year, and rumours are abroad that possibly other mergers are going to take place. As the hon. member who preceded me (Mr. Woodsworth) said, these banks are highly centralized and the head offices of them all except one are centred in two cities in central Canada, although their branches stretch throughout the length and breadth of this Dominion for a distance of over four thousand miles. The main interest of a private organization such as a bank is to make profits: the main interest of a public institution would be to give service.

The argument that is put forward in favour of a branch system of banking is that in some parts of the country deposits accumulate more quickly than in others, and through the branch system these deposits can be transferred to other parts of the country where there is greater use for them. That argument might be all right for people who have not given any thought to this question, but those who have studied the subject at all know that it is far from the fact. If it were a fact, then we should have to admit that the carrying on of our trade, its development and its increase, must be regulated absolutely in the light of the amount of money that can be saved, which of course would be absurd. We all know that trade is carried on largely on credit supported by collateral. What is credit? In the view of a well-known economist, it is the power to produce and deliver goods and services. If industry is carried on by loans, and loans are created by security being lodged with the bankers, and loans, as the hon. member for Winnipeg North Centre (Mr. Woodsworth) said a few minutes ago, create current deposits, it is not necessary in that case to borrow from savings. Bankers do their business largely on other people's credit. This is made possible by what is known as banker's created credit. Thus there is no limit to the amount of check money or credit that can be created if the bankers so wish, only they must have a fair proportion of their assets of a liquid character.

I assume my statement with regard to loans creating deposits may be challenged, and I therefore wish to place before you support of my argument from well known men. Professor Adam Shortt, who is considered quite an orthodox economist, addressing the students at the university of Manitoba in 1919, gave the following information:

> Thus a credit of $5,000,000 granted to the government is merely an entry in the bank's books, and when drawn upon by the government in favour of munition industries, transportation companies, and supply purveyors of all kinds, much of it may not leave the books of the individual bank involving nothing more than debit and credit entries in its ledgers. Even when the parties to whom the credits are transferred keep their accounts with different banks the interchange of such credits between the banks through the clearing house practically offset each other in the long run. Thus a credit of even $5,000,000 on government account makes little or no drain on the individual bank, and none at all on the general circle of banks, unless it comes to a matter of foreign exchange.

Professor Soddy of Oxford University outlines the situation in the following words, and is supported by the Hon. Reginald McKenna and Major C. H. Douglas, London, England:

> Another and most important fact to be emphasized, is that virtually all the money in the hands (or banking accounts) of the community originally came into existence in the form of loans from the banking system. It can come from nowhere else, nor otherwise than as loans. This fact, which reverses all the old concepts of loans as money taken out of pre-existing deposits, is demonstrated fully in Major Douglas's works, and, in fact, has since been endorsed by Mr. McKenna, the chairman of the Midland bank. The order of procedure is as follows:
>
> (1) Money is printed or written into existence by the banks:
>
> (2) It enters circulation as a loan to somebody:
>
> (3) It is then spent, and then becomes a "deposit" in the name of the receiver.

Under the present system we have a monopoly in the case of a few institutions which, as I say, are all-powerful in regard to the control of industry. It is perfectly natural that they do not want that monopoly broken. They would not be in favour of banks of re-discount if this house decided to create them.

The hon. member who preceded me referred to the matter of interlocking directorates. I am not going to take up the time of the house in any repetition of the statement, but it is well known that the interest of industry and finance sometimes clash where other people want to start up in lines of industry in which certain men in the financial world are all-powerful. It is quite possible they would do their best to stop the setting up of industries in opposition to their own.

Sometimes it is said that this banking system of ours in Canada is good because it is based on the British system. That statement itself in my opinion will not stand analysis, for this reason: that whatever may be perfectly beneficial to a country about half the size of Alberta is not necessarily the best thing for a country which covers half the continent. As has been said before, possibly to the people of central Canada the system may be fairly serviceable, but to other parts of Canada thousands of miles from the central part it certainly is not the best system. For instance, in years gone by I have known of a blanket order to go out to bank managers in towns of western Canada, towns that are giving service to a district probably twenty miles square, to stop all credits or loans to people in that vicinity. It is quite possible that sixty per cent of the people in those particular districts had no credit and could not show sufficient security, but forty per cent were men of good standing who were in a position to place a security behind their loan, and these blanket orders were particularly hard on that forty per cent, as well as unfair to the country in general.

The British banking system was based on a bill passed as far back as 1844. It may have served the needs of industry at that time, but since 1844 industry and transportation facilites and so on have altered tremendously. In no period for the last thousand years have there been so many alterations, and therefore it is easy to realize that a system which was all right in 1844 is not all right to-day. I cannot support the member for Winnipeg North Centre too readily when he refers to the great power that has been given to our chartered banks in creating what is usually termed cheque money. The late Sir Edmund Walker, giving evidence before the banking and commerce committee in 1923, stated that ninety-six per cent of our business transactions are carried on by a medium otherwise than by cash or by notes.

The hon. member for Winnipeg North Centre has anticipated me in the peculiar instance he cited that those who attempted to increase the coinage of the realm would be severely punished; and the same would apply of course to those who attempted to increase the number of notes in circulation; but those two media to-day represent only four per cent of the exchange we use, and therefore our greatest attention should be concentrated on what is termed the checking system. I am not against the use of this system by the banks, but I am against the monopoly right given to them of dictating to men or to corporations whether they shall make use of their credit or not. The Right Hon. Reginald McKenna has already been quoted by my hon. friend in regard to the checking system, but I wish to repeat the quotation to support my argument. He said:

> The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan creates a deposit, and every repayment of a bank loan destroys one.

The Elements of Banking, written by Mr. H. D. Macleod, contains the following:

> The essential and distinctive feature of a "bank" and a "banker" is to issue credit payable on demand, and this credit may be put into circulation . . . . and serve as money.

Further on occurs the following passage:

> When it is said that a great London joint stock bank has perhaps £25,000,000 of "deposits" it is almost universally believed that it has twenty-five millions of actual money to "lend out"—

Please mark this:

> —as it is erroneously called . . . . . It is a complete and entire delusion. These "deposits" are not "deposits" in cash at all. . . . . They are nothing but an enormous superstructure of credit.

We should do something in the interests of the public to take away the control of credit in this country from the few in whose hands it is now centered. In this connection it is interesting to observe that this is not only a national question, it has become international in its scope, and it will be found that people the world over are taking a keen interest in solving the problem. In Great Britain you will find papers that are given solely to its study, and there is also considerable activity in Australia. Indeed it is a very live subject, and undoubtedly this house should concern itself in finding a solution.

I should like to bring to my assistance in this matter the views of a few prominent men. First let me quote Sir Charles Addis. Writing in the Edinburgh Review, of July 1918, he said:

> The bigger the bank the greater the danger that with the lapse of time it will become entrenched in a bed of vested interests, inimical to change, discountenancing the introduction of new ideas and discouraging the more efficient methods of young and vigorous competitors.

The late Woodrow Wilson, in his book, The New Freedom, published in 1913, wrote:

> The great monopoly of this country—
>
> The United States.
>
> —is the monopoly of big credits. . . . . A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all

our activities are in the hands of a few men who . . . . . chill and check and destroy genuine economic freedom.

The last authority I bring to my support is no other than the late W. E. Gladstone. We have heard him quoted a great deal by the hon. member for West Calgary (Mr. Bennett) and consequently I take pleasure in placing this citation on Hansard:

From the time I took office as chancellor of the exchequer I began to learn that the state held, in the face of the bank and the city, an essentially false position as to finance . . . . The hinge of the whole situation was this: The government itself was not to be a substantive power in matters of finance, but was to leave the money power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. . . . . I was tenaciously opposed by the governor and deputy governor of the bank, who had seats in parliament, and I had the city for an antagonist on almost every occasion.

I trust that when the hon. Minister of Finance realizes the good company we are keeping in our quest for information on this important subject, he will not hesitate to favour this resolution going to the banking and commerce committee.

It has often been a surprise to me to hear that so much foreign capital is sought to develop Canadian industry, and I have wondered why it is necessary to go outside for this help. We know perfectly well that industry is carried on by a system of loans, those loans being made possible by the collateral that is placed at the disposal of the financial institution making the loans; that only on the basis of the collateral are loans made, and that those loans create current deposits that can be drawn on by the borrowers. Now, if this Canadian collateral is good enough for financial houses in the United States, Great Britain or elsewhere, why is it not good enough for our financial houses? Is it that they are too conservative in character? If so, we cannot blame the other institutions making a harvest on the profit of these loans. But I should like to see Canadian financiers taking a little more interest in Canadian development, because the collateral is just as good a security to them as to outsiders.

I would favour some sort of a institution in the shape of a federal bank of re-discount for various reasons. Believing it would be a great boon to the country in every way, I would recommend the formation of such a bank for the following reasons:

1. It could perform the duties now carried out by the treasury board by discounting securities of present or future banks.

[Mr. Spencer.]

2. It could take over certain duties now carried out by the Canadian Bankers' Association with regard to notes.

3. It could serve the purpose of the central gold reserve.

4. The note circulation redemption fund could be handled by it.

5. Through it could be done all government business.

6. It could and should issue all notes.

7. It could take care of the work of buying and selling securities to guard against sudden inflation or deflation which is so deadly damaging to both trade and the standard of living.

Mr. ROBB: Will my hon. friend tell the house whether or not he desires the federal reserve bank to lend directly to and take deposits from the public, or does he expect it to deal with the banking system now in existence? It is important that he make that point clear, because his speech does not tally with that of the mover of the resolution. My hon. friend desires to take away from the government the business we now have under the Finance Act, while the mover of the resolution wants to give us more business.

Mr. SPENCER: In my opinion it should be entirely government business; it is more on the basis of the Australian bank. In conclusion, I cannot do better than quote from a speech delivered by the Right Hon. Reginald McKenna to the shareholders of the Midland bank in 1926 when advocating reform of the Bank of England. At the close of his address he said:

The subject is too large to permit of my entering into detail on an occasion like this, but I am convinced that it merits the most disinterested and painstaking investigation. An exhaustive inquiry into the principles on which a central bank should be founded and should conduct its operations would be of immense service to the public. The present system may have suited conditions in 1844, when deposit banking was in its infancy. It might conceivably suit conditions to-day, but if so only as the result of accident. It has survived for eighty years by virtue of its own suspension in times of crisis, the phenomenal supersession of the use of currency by that of cheques, and fortuitous discoveries of gold. The vital need for the future is to ensure that the maintenance of prosperity with a growing population and ever-improving standard of living, both requiring an expansion in the volume of trade, shall not be hampered by false restrictions on the quantity of the money.

Mr. JOHN EVANS (Rosetown): I wish to add my voice to what has been said in support of the motion, not because I can better present the case than it has already been submitted by the mover of the resolu-

tion (Mr. Woodsworth), and my hon. friend (Mr. Spencer). This is a business that touches the life of all industry and for that reason I wish briefly to cite some of my own experiences to show the absolute power which is placed in the hands of bankers over credit and industry to-day. In the banking system we have another of those public utilities in private hands controlled and operated for private profit, rather than for service to the people. There are in this nation many things which the people use, such as railways, the telegraph, the telephone, transportation and express services, and so forth, which can rightly be called public utilities. And a public utility should never be in private hands to make profit for private companies; it should always be publicly owned and operated at cost. It is only on that basis that the industry of any country can assume the proportions it should when credit is free to all who may be able to use it.

Of all public utilities, I believe the banking business in private hands has become now about the most unbearable, not because it does not give service—service it does give—but from the fact that the more service it gives the more intolerable it is felt to be. It profits on the adversity of the people who have to avail themselves of it, and this is so because of the great power that comes from the concentration of wealth and industry. It is likely that the reports of the last annual meetings—I have not been able to peruse them all myself—will show that our banking system this year will make many millions of dollars of profit out of the earnings of the people, so that industry in the coming year will be so much more dependent on those who now control credit. No small business man to-day can get any moderate amount of money from the banks under about 9 per cent—and when I say 9 per cent I know exactly what I am speaking of because I am speaking from experience. It is thus that men in a small way are closed out, with the result that industry is still further concentrated in the hands of the few. Not only do these directors of industry concentrate control of business by granting or withholding credit as they see fit, but they are ever on the lookout for any renegade banking business which is not part and parcel of the banking association. I can remember when more than forty chartered banks existed in this country, when the population was indeed not over two-thirds of what it is to-day. It is quite evident that these big institutions entirely control the credit and industrial activities of the nation. When such concerns as, for instance, the Merchants' Bank and the Bank of Hamilton of past days found it hard sailing they were taken in tow by the stronger banks. But this was not so in the cases of the Home Bank and the Farmers' Bank. In connection with the Bank of Hamilton and some others, there was no problem of compensating the depositors, as in the case of the Farmers' Bank and also the Home Bank. This latter institution was under attack from the banking combine from the time of its first appearance, and I can well remember when the Grain Growers' Grain Company did their banking business with this bank. I can remember later on when an attempt was made to wreck both the Home Bank and the Grain Growers' Grain Company, and these two institutions were only saved at that time by the timely intervention of the Scottish Co-operative Wholesale Company, which then had representatives in this country. The Home Bank was always looked upon as a renegade and usurper by those who held the legal right, given by this parliament, to prevent the workers and farmers from using their credit, and to fleece them of their earnings. Indeed, sir, to further draw on my experience, I can clearly remember loading a car of wheat on the siding at Saskatoon, after having to wait several days and travel around a good deal before I got the car. When that car was filled I took my bill of lading to the chartered banks in that city, of which there were five at that time, and asked for an advance of $300 on that car of wheat, which was worth from $850 to $900 at least. I was refused by each of the five banks. Having returned to the bank with which I used to conduct my business, the then Bank of Hamilton, I pleaded with the manager to let me have $300 in order to meet an instalment due on a mortgage on my farm. He said, "The only thing wrong with that bill of lading is that it has the wrong name on it." My car was billed to the Grain Growers' Grain Company, which afterwards became the United Grain Growers. The manager said, "You take that back and change the name and I will give you all the money you want." I did not do so; I ran the risk, and managed to meet my obligation only three days late.

These experiences only go to show the complete control exercised by these men over every industry and activity of this nation; because the Grain Growers' Grain Company was doing business with the Home Bank, both these institutions were to be put out of business, and I was up against it. I say that banking is the business of the

people, and it should be done by the government to a greater extent than is now the case. I think we should begin with a central government bank, to have the sole right of note issue and to provide for full discount privileges, so that the requirements of all producers could be adequately met at rates of interest which would only cover the cost. I believe this to be necessary at this time, and I want to tell this house that production on the farms of Canada is hampered to-day because of the lack of this measure. I believe we have come to the time when industry and credit and the sole control of the activities of the nation should not be left in the hands of a few private persons for their own personal benefit. It is a wrong principle.

I believe further that a system of education should be inaugurated in order to make the people of Canada alive to this bondage which is so hampering the activities of our country. Surely it is not too much to expect that those occupying chairs of economy in our educational institutions from one end of the Dominion to the other should come forward with something worth while in language everyone can understand, but because the control of industry and credit has fallen into the hands of a few people who form such a complete ring, even the mouths of our chief educationalists have been closed for years past, and nothing is forthcoming even from our great professors of economy looking to the emancipation of the working classes and the small producers. We cannot go on forever in this way, with every moneyed interest and industrial concern linked up with the politician. For that reason I say the politician is the keystone in the arch, which is absolutely wrong in this advanced age, with an intelligent people such as we have in Canada to-day.

There are several reasons for this reform, and the first is to prevent the autocratic control of credit, which means the autocratic control of industry, and the control of the rates of interest and the power of inflation and deflation, from which we have suffered so much since the war. We should also prevent the investment of the earnings of the workers abroad, to the detriment of the development of our own national resources, which has a good deal to do with the unemployment existing at present. Surely it is evident to everyone that these things are needed, because it seems quite possible that the factors which made the lot of thousands of farmers so hard since the war may come about again; it is not such a remote possibility. If I read the newspapers aright I can see a tendency even to-day to bring about war between the two greatest nations of the world, who can pay the most for their ammunition should there be another great struggle. It is being hinted to-day that the United States and Great Britain may be at each other's throats within a few years, and I believe that those men who to-day control industry and credit are trying to create an attitude of mind which would make such a thing possible, for the sake of satisfying their greed.

For these reasons and also to bring the matter just as it is before the people of this country I propose to support the resolution.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, the resolution before the house is very important; it states that the time has come for the establishment of a national system of banking. The mover of the resolution (Mr. Woodsworth) intimated that he would like to see it come before the banking and commerce committee where it could be more fully and perhaps more properly discussed. I think perhaps that would be the best place to bring out the details of what the hon. member has in mind. I am not sure that I shall have the pleasure of being on that committee this year. On account of the reduced membership of our committees I believe it has worked out that I am deprived of a seat on the banking and commerce committee; therefore I should like to give expression to a few thoughts here in connection with this resolution.

I regret to see so many empty seats when such an important resolution is before the house. Proportionately there are considerably more members from this little independent corner of the house present than there are members representing the two major parties. I wonder why? The hon. member for Rosetown (Mr. Evans) stated that banking is the people's business. I believe it is, and that it should be done by the government.

I am not going to deal at any great length with our Canadian banking system, but I want to discuss more particularly a system which is in vogue in the commonwealth of Australia. Before taking up the Australian system, though, I should like to give utterance to a few pertinent thoughts in connection with our own banking system. Perhaps it is not common knowledge that in Canada since 1867, that is in a period of sixty years, there have been thirty-three different banks absorbed by others. But that is not the most serious point in connection with our banking system. In sixty years from 1867 to 1927 there have been

twenty-six bank insolvencies in Canada. That is something that is very serious, and therefore I am rather surprised that every hon. member of this house is not interested in the present discussion to the extent, at least, of being here and listening to what is being said. The last insolvency was that of the Home Bank in 1923. Following that calamity we were called upon to appropriate something like $3,000,000 for the payment of those who lost deposits in that unfortunate affair, and it is whispered that efforts are being made to get an additional sum of money from the government coffers to liquidate further debts in connection with the Home bank failure. At the present time there are just eleven banks in Canada and they are faring very well. Their profits, as disclosed in the annual report for the year 1926, were over $21,000,000, and their dividends amounted to over $15,500,000. The rates of dividend ran all the way from five per cent in the case of the Weyburn Security bank to sixteen per cent in the case of the Bank of Nova Scotia, very healthy dividends indeed.

One point we should bear in mind in connection with our banking system—and it has been touched on by previous speakers—is that the privilege of the note issue is in the hands of the banks themselves. The stability of our banks is often commended, but is it a very commendable feature that we have had twenty-six bank insolvencies in sixty years?

In Australia they had on June 30, 1925, twenty-one banks in operation with a paid-up capital of almost £64,000,000, which would be about $311,000,000 of our money. In that capital is included £4,000,000 of the Commonwealth of Australia. That £4,000,000 is capital which accrued from the earnings of the bank, somewhat different from the capital utilized by the other privately owned banks. No dividends or bonuses have been declared by the Commonwealth Bank of Australia, but the other banks have declared dividends. I am mentioning these points just to show that the fact that there is a commonwealth bank in Australia does not prevent other banks from carrying on a very profitable business. In the case of the dividends declared by the other banks in 1925 7 per cent was the lowest, the next was 8 per cent, and still another 9 per cent. Six of the banks declared a dividend of 10 per cent, three a dividend of 12 per cent, one a dividend of 12½ per cent, another a dividend of 15 per cent, and the Western Australia bank a dividend of 17½ per cent. These figures show that the banks there are quite prosperous. In addition to these dividends there have been reserve profits accrued to the amount of over £40,000,00. Included in that are profits of the Commonwealth bank to the extent of a little over £3,000,000.

The bank with which I wish to deal most particularly is the Commonwealth Bank of Australia, which was incorporated by act of parliament in 1911. The capital according to the act of incorporation was to be £1,000,000. In 1914 it was increased to £10,000,000, and then in 1924 there was a further increase to £20,000,000. But here is something of note in connection with the capital of the bank. While this bank has authority for a capital of £20,000,000 there is a sum of £4,000,000 which has been transferred to capital account from the reserve and redemption fund. The treasury department has authority to borrow £6,000,000 and lend it to the bank if it should be needed, in addition to the amount of capital which is authorized by statute. So far the bank has not seen fit to utilize any more than the £4,000,000 derived from accrued profits. Under the original act the management of the bank was placed under a governor and deputy governor appointed by the governor general. In 1924 an amendment was enacted creating a board of directors composed of the governor and seven other directors. Here is another feature of the act. The net profits from the operation of the bank were to be distributed in this way: one-half were to go to the bank reserve fund, and the other half to redemption fund. The first half was to enable the bank to pay off any liabilities, and the second to repay the treasurer for organization expenses, and so on, or to redeem debentures if any should be issued for the purposes of capital; or to go to the excess debts of the commonwealth. In 1924 there was a further amendment under which one-half of the profits went to the bank reserve fund and one-half to the national debt sinking fund. Those provisions are incorporated in section 30 of the statute.

Another point in connection with the bill incorporating this bank is that under section 33 of the act in question the commonwealth of Australia is responsible for all moneys due by the bank. I am sure that most of the people who place deposits in it feel that they have a greater security when they know that the Commonwealth of Australia is back of those deposits. The Commonwealth Bank of Australia was opened for business on January 20, 1913. On the first day of its business, deposits of £2,341,720 were placed with it, or a little over $11,000,000 of our money. Those funds were from the different departments of government. About six months previous to the opening of the bank, savings banks had been

opened throughout the country for the taking in of the savings of the people. In 1913 the State Savings bank of Tasmania was taken over and in 1920 the State Savings bank of Queensland. In the early operations, the Commonwealth bank paid interest at three per cent on the savings of the people up to £300, but later on, according to the year book of 1925, the interest paid was three and one-half per cent on the first £1,000, and three per cent on the next £300.

Here is another important feature. In December of 1920, the Australian note issue was handed over to the Commonwealth bank—a feature which we deprecate in this country as belonging to the privately owned banks. I have never been able to ascertain just what profits are made by our Canadian banks because of this privilege. I am quite satisfied that if that privilege were exercised by the government of the country the profits of our banks would not be nearly as large; but just what the profit is, it is difficult to say. In Australia this privilege of note issue was put under the control of a board composed of the governor, the secretary of the Australian Commonwealth bank, a member of the treasury board, and two outstanding financial experts.

It is very interesting to note the business done by the savings banks in the Commonwealth of Australia after this national bank commenced operations. I am not going to read the whole table because it would be wearisome and would take considerable time, but I am sure it is interesting enough to all hon. members to have it placed on Hansard. I have tabulated the operations from June 30, 1913, which is approximately six months after the banks commenced business, up to June 30, 1925, showing the business for each year separately. At the end of the first six months there were over eighty-three thousand depositors with deposits of £2,500,000 in the Australian Commonwealth savings bank department. At the end of June, 1925, there were over one million depositors with over £42,000,000 deposited to their credit. With the consent of the house, I will hand this statement to Hansard:

	Number of Depositors	Amount of Credit
June 30, 1913	83,558	£ 2,693,971
June 30, 1914	143,143	4,645,268
June 30, 1915	210,361	7,420,647
June 30, 1916	278,536	9,477,896
June 30, 1917	356,344	12,442,847
June 30, 1918	419,720	15,227,534
June 30, 1919	489,010	17,789,423
June 30, 1920	539,795	17,982,402
June 30, 1921	824,756	36,190,390
June 30, 1922	869,017	38,056,980
June 30, 1923	922,777	40,150,890
June 30, 1924	977,240	41,071,099
June 30, 1925	1,032,482	42,313,086

Hon. members will also be interested in the general business done by the bank. At the end of June, 1913, there was a debit in the general banking business of over £24,000. There was also a debit in the savings bank business of over £22,000 or a total debit of £46,637. Some might think it was not a very profitable business if it went into debt right at the start. It is true it went into debt the first year, but the next year the debit balance was not quite so large; the third year there was a credit balance of over £2,000, and every year since there has been an increase in the credit balance, which on June 30, 1925, stood at almost £5,000,000. That is the net total of the bank's business. As this is a statement that might be of interest to hon. members I should like to hand it to Hansard for publication:

Bank Business—Savings and General Bank

	General Bank	Savings Bank	Net Total
June 30, 1913..	dr. £ 24,329	dr. £ 22,308	dr. £ 46,637
June 30, 1914..	cr. 11,761	dr. 48,757	dr. 36,996
June 30, 1915..	cr. 56,905	dr. 54,684	cr. 2,221
June 30, 1916..	cr. 181,445	dr. 34,376	cr. 147,069
June 30, 1917..	cr. 522,467	cr. 3,825	cr. 526,292
June 30, 1918..	cr. 991,934	cr. 84,092	cr. 1,076,026
June 30, 1919..	cr. 1,726,532	cr. 196,438	cr. 1,922,970
June 30, 1920..	cr. 2,426,067	cr. 330,038	cr. 2,756,105
June 30, 1921..	cr. 3,082,249	cr. 369,116	cr. 3,451,365
June 30, 1922..	cr. 3,577,317	cr. 424,342	cr. 4,001,659
June 30, 1923..	cr. 3,869,219	cr. 534,768	cr. 4,403,987
June 30, 1924..	cr. 3,964,620	cr. 690,053	cr. 4,654,673
June 30, 1925..	cr. 4,098,392	cr. 890,838	cr. 4,989,230

Mr. ADSHEAD: Under the Australian system could there be any such catastrophe as occurred in connection with the Home bank?

[Mr. Carmichael.]

Mr. CARMICHAEL: I think such a catastrophe would be practically impossible with a bank like the Australian Commonwealth bank, because the resources of the

whole Australian Commonwealth, its lands, forests, mines, fisheries and everything else of value, are at the back of the commonwealth bank. One part of their statute provides that the Australian Commonwealth is responsible for the bank's business.

Mr. McQUARRIE: Might I ask what class of business this bank engages in?

Mr. CARMICHAEL: At the start of its operations the business taken over was chiefly government business, along with what in this country we might term municipal business; later the bank branched out and now carries on a general banking business, but a feature is that its major business is with government departments.

Mr. McQUARRIE: What I wanted to ascertain was whether or not they did any discounting.

Mr. CARMICHAEL: In competition with the other twenty banks in Australia they carry on a general banking business the same as our Canadian banks do.

Another point that perhaps is worth emphasizing is that the interest paid by the Australian Commonwealth bank on deposits is three and one-half per cent on the first £1,000 and then three per cent on the next £300. Compare that with the interest paid by our Canadian banks on deposits, which is only three per cent.

Then looking at the other side, at the interest charged by the Australian Commonwealth bank on loans made, we find that it runs about six per cent, with loans to corporations being less than six per cent in many cases; that is, loans to municipalities, school districts, church organizations, and the like are made in many cases at less than six per cent. The spread, therefore, is not more than two and one-half per cent. How different it is in our own country! The hon. member for Rosetown (Mr. Evans) stated that the ordinary man in the west has to pay nine per cent interest on loans. Possibly a great many of them will get their loans at eight per cent, but some of them have to pay nine per cent. Now the spread from three to nine per cent is six per cent, in comparison with the spread in Australia of two and one-half per cent; yet we find that the Australia Commonwealth bank has made considerable money. In 1925 the profits of the Commonwealth bank were almost £5,000,000, or in our money $24,280,919. Under their act one half of that was put into the bank reserve fund and the other half used to retire their national debt.

It seems to me, Mr. Speaker, that this is a pretty safe and good kind of business for the Dominion of Canada. If the profits in banking are as large as the dividends declared by our Canadian banks would lead us to believe, why should not the people of Canada, through the government, have a share in those profits? Our national debt at the present time is of such staggering proportions that it makes one dizzy even to think of it. We have been merely nibbling at it in a sort of hit-and-miss fashion in the last few years, and up until four years ago missing more often than hitting. The total reduction made is very slight indeed in comparison with the amount of our national debt; in fact, it is not equal to the accumulative interest year by year. If we can further augment our treasury receipts by a legitimate business which rightly belongs to us, would it not be good business for us to do it? We have in Canada a number of post offices that take care of the savings of the people. On March 31, 1926, we had in our post office savings account $24,035,669, and we had Dominion savings of $8,794,870. In addition to these sums the province of Ontario has a savings department in connection with its government; just what they have accumulated I do not know. I believe the province of Quebec also has certain savings accounts in connection with either their provincial or their urban governments. Then we have the different departments of the government that at times have large balances. We have also our city, town, rural and village municipalities which handle considerable sums of money each year. We have also our various school districts. If all those different items were accumulated within the borders of a federal bank or a bank similar to the Australian National bank, we should have enough to carry on the business of the banks just as they do in Australia, without the issue of bonds to raise any capital. It seems to me, Mr. Speaker, that this would be a safe business as well as a profitable business.

I regret that the mover of the resolution has not told us just what particular line he would like to have followed. I think he said he had no dogmatic line to present to the house. Possibly in committee he will have; or perhaps the Minister of Finance (Mr. Robb) will have something in view which he will present to the house. In the meantime I submit to his serious consideration a study of the history of the Australian Commonwealth bank, which in a period of fifteen years has made an enviable name for itself in that little island country. While we are not sure what we might do in Canada if we launched on a similar scheme, the history of that bank would

lead us to believe that we would have no reason to fear if we in this country saw fit to adopt such a scheme and carry it out.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker, personally I have no objection to discussing in the banking and commerce committee the matter that has been before the house this afternoon, but I believe that the resolution as it is put to the house is not sufficiently clear to enable an intelligent discussion of it there. The hon. mover of the resolution (Mr. Woodsworth) stated that he did not believe that a national system of banking was immediately practicable, and made the further statement that he had no clear-cut scheme to propose, but he suggested that it might go before the banking and commerce committee, where some thought might be brought out that would enable us to develop some banking scheme.

Mr. WOODSWORTH: I said a fully developed national banking scheme.

Mr. BOTHWELL: I am glad of the explanation. However, I took it from the remarks made by the hon. gentleman that he did not have any clear-cut scheme, following the words he originally used.

I have listened to the remarks of the various speakers, and they all seem to have different ideas as to what a national system of banking is. So far as I am concerned I have always entertained the belief that we have at the present time in this country a national system of banking.

Mr. ROBB: Hear, hear.

Mr. CASGRAIN: Hear, hear.

Mr. SPENCER: Privately controlled.

Mr. BOTHWELL: That is not stated in the resolution. What the resolution may be intended to mean further I do not know, but taking its wording and the remarks of the proposer, I gather that what is meant by the resolution is that in the opinion of this house the time has come to consider the establishment of some new national system of banking. That is the only meaning I can gather from the remarks the hon. member has made.

Then referring to the speech of the hon. member for Rosetown (Mr. Evans), I take it that he has in mind some system of banking that would shut out private banks of every description. The hon. member for Kindersley (Mr. Carmichael), on the other hand, seems to favour the Australian system where they have a Commonwealth bank that enters into competition with the privately-owned banks of that Commonwealth.

[Mr. Carmichael.]

Mr. HEAPS: Would the hon. member tell me whether he has in mind any system which he thinks should be instituted?

Mr. BOTHWELL: I have not. I must say that I have not considered what new system of banking should be instituted. I do not believe that the members who have spoken have fully considered what kind of system they would like definitely to propose. At least I have not been able to gather that from their remarks this afternoon. There is no doubt that fault can be found with our banking system in some respects, but before this house should go on record as saying that the time had come for the establishment of a national system of banking, without knowing something of what is meant by those terms, I think it should have some definite system or proposal before it. If it were possible to refer the whole banking system to the banking and commerce committee and there discuss it, we might gain something from that discussion, but to carry a resolution which means, if I place the right construction on it, doing away with our present system without providing anything to take its place, is I submit, Mr. Speaker, to take a step that in the light of experience we would not be justified in taking.

Mr. SPENCER: Would my hon. friend be in favour of having the question discussed before the banking and commerce committee?

Mr. BOTHWELL: I have no objection to having it discussed, but not the resolution in the form in which it stands. With the change I suggested I would have no objection to a discussion of the resolution in committee. I would not like to go on record as saying that the time had come for the establishment of a new, national system of banking, but probably the time has come to consider and discuss some new system. If it is suggested that the resolution as it now is drawn should go to the banking and commerce committee, then I am opposed to it. It has been stated by the hon. member for Rosetown (Mr. Evans) that in his opinion every public utility should be owned by the public, and I take it that his idea is that all such things as railways, telegraphs, telephone lines, banking institutions and other corporations should be owned, controlled and operated by the government. That may be an ideal system, but we will have to go a long way in this country yet before we will be able, from the standpoint of the public, to take control of all these things that may be considered public utilities. It is rather difficult to define the term "public utilities." It is

very broad, and may include practically everything that we do from the standpoint of production as well as from the standpoint of what we ordinarily term public utilities in a municipality.

I was rather surprised at the hon. member's suggestion that at the present time the United States and Great Britain are being agitated by the moneyed interests toward war. I do not believe for a moment, Mr. Speaker, that that is the situation. I do not believe that the moneyed interests, so-called, have anything to do with the newspaper reports that have been published recently respecting the relations between the two countries, and I do not believe that the moneyed interests are in any way fomenting trouble in that quarter.

The hon. member for Kindersley (Mr. Carmichael) in rising to speak saw fit to direct the attention of the house to the fact that a number of members were not in their seats. It has been suggested that Hansard is being used for political purposes, and from the remark he then made I can only conclude that he used it for that particular purpose, because just at the very time, if he had taken the trouble to count the members of the two old parties in their seats, he would have found that his little group who were in attendance did not compare with the number of those present representing the government and the official opposition. But I would also like to draw his attention to this fact, that at that very time many of his own little group were not in their seats, and of those present representing the United Farmers of Alberta, the Progressives and Labour, their combined strength amounted to only a dozen.

Mr. HEAPS: It is hardly fair to reflect on the Labour group; we were here one hundred per cent.

Mr. BOTHWELL: There was no distinction made by the hon. member for Kindersley at the time, and I took the trouble to count what he apparently considered the "little group" in that corner of the house.

Mr. CARMICHAEL: Did he also count the number of members present from the two old parties?

Mr. BOTHWELL: I counted on this side of the house twenty-four.

Mr. SPENCER: Out of a hundred and sixteen.

Mr. BOTHWELL: I would suggest that in the opening remarks of the mover of the resolution may be found an explanation why all hon. members were not in their seats, for he said that the time is not immediately practicable for the establishment of a national banking system, or some such words.

Mr. WOODSWORTH: The hon. gentleman again will do me the credit to quote me correctly. I said: The time is not immediately practicable for the establishment of a fully developed system of national banking.

Mr. BOTHWELL: I quoted the words I took down at the time. But I want to be fair to the hon. gentleman; he may have added other words. Certainly he did state later that we had not a fully developed system. With practically every member in the house considering that we have now a national banking system, and the resolution calling for the establishment of a national system of banking, I can quite realize that members generally would not take the resolution as seriously as they would if the hon. gentleman had placed some definite proposition before the house.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I rise to say that personally I have no objection to the resolution going before the banking and commerce committee. But I do take exactly the same exception to its wording as does my hon. friend from Swift Current (Mr. Bothwell), and I hope that if it is referred to the banking and commerce committee for further inquiry and study my hon. friend who has presented it will confer with the hon. member for Swift Current and so modify his resolution that the house will not be understood to declare that Canada has not a national system of banking. Because, Mr. Speaker, I submit that when you compare the banking system and the bank failures of Canada in recent years with the bank system and bank failures of any other country in the same period, there can be no doubt that Canada has much reason to be proud of her system.

May I say at once that I have no pretensions to expert knowledge of banking. My experience with bankers has largely been that of a borrower, and the greatest kindness they have ever done me was when sometimes they refused to loan me money, for money borrowed must be paid back. And I submit to my hon. friend that when they ask the Dominion to go directly into the banking business—and I believe they are men of good judgment—it would seem that they have not carefully reviewed the record of the experience of the government in loaning money out in that particular part of the country which they represent.

Now, there is one feature, sir, that I desire to put on record. In the first place, my hon. friend in moving his resolution took some exception to the business that Canadian banks have been doing outside Canada, and he emphasized the point by asking: Why should we send Canadian money into other countries when it is needed at home for home development? Well, had my hon. friend carefully reviewed the published statements that are sent to the Department of Finance every month, he would have learned that our Canadian banks in doing business in other countries in competition with the banks of other nations are bringing more money into this country than they are sending out. Let me give the house the statement to December 31 last. My hon. friend can check up the records for each month and get the average. According to the published figures the aggregate commercial loans of Canadian banks elsewhere than in Canada were $264,708,072, and the aggregate deposits $374,425,788; or $110,000,000 more was received in deposits than paid out in loans in those countries. That money was available whenever Canada needed it. My hon. friend will observe that I am speaking of commercial loans. It is true that our banks had other deposits and other liquid loans outside of Canada. But the reason Canadian banks make these liquid loans outside the Dominion, largely in New York and in London, is that there is no liquid investment for the money at home, and rather than have it lie idle it is sent to New York and to London, where, although it is earning small interest, it is available whenever Canada needs it for the requirements of her own commerce.

Before I take up more particularly what our own Canadian banks are doing, may I reply to the remarks of the chief whip of the United Farmers of Alberta group to the effect that while our system may be satisfactory for the east it is not satisfactory so far as the west is concerned. He thinks that we should adopt another system and that the Dominion of Canada should go into the banking business, loaning money and making it available for all who want it in all parts of Canada and particularly of the west. If I do not do the hon. gentleman justice I want him to correct me.

Mr. SPENCER: That is entirely incorrect so far as my statements went. I advocated that the institution be used as a government bank only.

Mr. ROBB: Well, we have had experience in loaning money. We know what it costs to loan money when governments go into the loaning business, for we have now on the books of the department over $2,000,000, loaned largely in 1915, and some of it loaned away back in 1880. This money was loaned on good security and to-day we cannot find the gentlemen who borrowed it, so that the department is considering the probability of the money ever being recovered. It is a question whether it will not be altogether lost.

Mr. EVANS: Is the minister taking into account the tremendous inflation and deflation which occurred during those years and which operated detrimentally to the whole farming industry of western Canada?

Mr. ROBB: At the time that money was loaned in the west the security was considered ample. But that is not the only experience of loaning money that we have had in this country. We have loaned not only in western Canada but in all the provinces over $100,000,000 under the soldier settlement scheme. And what is the position when the banking business is brought into politics? Hon. gentlemen have come to parliament year after year and have asked the government to revalue the lands on which the money has been loaned, informing parliament that the soldiers were not able to meet their payments. Perhaps they were right; I am not saying that they were not. But the general result is that under the re-valuation legislation the country stands to lose about $16,000,000. That is our experience when Canada goes into the loaning business.

My hon. friend from Kindersley (Mr. Carmichael) made reference to the Australian system; he spoke of the Commonwealth Bank of the government of Australia and told what it was doing for that country. And my hon. friend who moved the resolution (Mr. Woodsworth) as well as the hon. member for Rosetown (Mr. Evans) complained that a small group of men, about sixty I think, comprising an interlocked directorate, were handling the big business of the country. Now what was the condition in connection with the Commonwealth Bank of Australia? That bank, until after the death of Sir Dennison Millar, was managed solely by Sir Dennison Millar, the man in control. He was a real czar, for even the treasurer of the commonwealth government had nothing to say. Sir Dennison Millar alone was president, general manager and board of directors. I have nothing to say against the Commonwealth Bank of Australia; it is a good bank.

Mr. CAMPBELL: Was he not responsible to the government?

Mr. ROBB: Perhaps he was. He was an excellent banker, a trained Scottish banker, brought up in one of the Scottish banks, and invited to assume absolute control of the Commonwealth Bank under the law. But what has been the record of the Commonwealth Bank of Australia as regards the loaning of money to farmers and business men in that confederation? The records show that most of the assets of the Commonwealth Bank consist of dominion and colonial loans. Investments in British colonial and commonwealth government securities comprise the great bulk of the business, while bills discounted, loans and advances to customers, and other sums due the bank constitute about 7½ per cent of its assets. As I say, investments in British colonial government securities, commonwealth government securities, fixed deposits, bills receivable in London, and so on, are the large proportion of the business of that bank. While therefore the Commonwealth Bank of Australia may be useful to the federal government in floating loans, it certainly is of very small special value to the commercial community of Australia and to the farmers. Hon. gentlemen say, "It is a splendid thing for the government of Australia to have gone into this business'. Well, I invite them to compare the financial position of Canada, when Canada goes into the markets of the world to borrow money, with the position of the government of Australia. I am not saying a word against Australia; I do not suggest to what extent she has been successful in making loans. But I do say that Canada has no lessons to learn from Australia in the matter of banking or so far as the credit of the country is concerned.

The important point to bear in mind is this: A bank has always to maintain national confidence, so that the savings of the people may be deposited with it and be used for commercial purposes, the money being distributed where it can earn money instead of, as under the old system, being tucked away in a stocking and remaining there, useless both to the person owning it and to the community. I say, therefore, that it is imperative in Canada that we should do everything possible to maintain confidence in our banking system.

Hon. gentlemen opposite tell us that the banks in Canada are being gradually absorbed into the larger institutions and that whereas years ago we had a considerable number of banks—I forget how many—we are reduced at the present time to eleven or twelve. That is true. But what is the reason? Why is it that the request comes to the government from time to time for the merging of banks? Why is it that that splendid little bank, with headquarters in western Canada—

An hon. MEMBER: The bank of Weyburn.

Mr. ROBB: No, I am referring to an eastern bank that moved west. A few years ago, as Minister of Finance, I had to go there and urge upon one of the strong banking institutions of the country to take over that concern —I am referring to the Union Bank—simply because I feared that we should have in Canada, if this were not done, a condition worse than existed in the case of the Home Bank. Well, what led to that state of things? One reason was that the bank had probably advanced more money than it should have done to two particular ventures in western Canada. But there was another reason, just as there is another reason why banks to-day, in order to carry on, find it necessary to get their forces together. And what is that reason? It is this, that big customers themselves throughout the country desire to do business with a large bank.

Some hon. gentlemen opposite come from a part of the country where one of the largest mergers in Canada has taken place—the western wheat pool. I am in favour of this, but I would point out to these gentlemen that such a concern cannot do business with small banks; it requires an institution that is able to take care of its commitments. And the same thing that is going on in connection with the wheat pool is taking place in eastern Canada. I will be frank with the house and say that representations are made to us from time to time that, because of mergers and the desire of these mergers to avail themselves of banks that will properly take care of their business, the smaller banks are having hard sledding. These small banks say, "Some of our customers who used to do business with us are now looking for larger and stronger banks." These are questions that might be considered by the banking and commerce committee, but I submit to my hon. friends opposite—and I hope they will agree with me—that it is not a good thing to have it go out to the world that Canada has not now a national banking system. As a matter of fact, under the Finance Act, we have. This is not the first time the question has been proposed for submission to the banking committee. Hon. gentlemen will recall that it was submitted in 1923 and again in 1924. Experts were brought here from Washington and the matter was gone into. In the course of the debate leading up to the referring of a resolution to the banking committee the question was asked, Why should not Canada have a system similar to the federal reserve bank of the United States? A gentleman was brought here and appeared as

a witness before the banking committee and he declared—his evidence may be referred to if hon. gentlemen wish to consult it—that under the Finance Act we are in Canada providing economically all the facilities that are required for carrying on the business of the country, and that we are doing work equally as good as that performed by the federal reserve system in the United States. I mention this in support of the statement made by my hon. friend from Swift Current (Mr. Bothwell) that Canada has now a national banking system. And when hon. gentlemen say that the banks are given the right to put out all the money issued, the records show that of the Dominion notes issued—apart from coins issued by the Dominion—on the 31st day of December, 1927 there were $220,835,000 of Dominion notes outstanding, while bank circulation at the same date amounted to $182,747,000. So there was then outstanding a greater amount of Dominion notes than bank notes.

Mr. SPENCER: Did not the greater part of that $220,000,000 comprise notes of large denominations used by the banks alone?

Mr. ROBB: It meets the requirements of the country and the government receives a revenue for it. As regards advances under the Finance and Bank Acts, since 1914-15 we have received a total of $16,831,894 from the banks for circulation charges and $14,402,129 as special tax, a total of $31,334,023. It is true that under the Finance Act the government has no authority to loan directly to the customer, and in the light of the experience which the government has had in connection with loans made for seed grain in the west, and under the Soldier Settlement Board throughout Canada, it is a good thing that we have not that authority. We have, however, authority to make loans to the banks on certain securities stipulated, and any bank requiring funds has no difficulty in getting all the money needed to carry on the general affairs of the country. The proof that the banks have no difficulty in getting money lies in the fact that conditions throughout the country are good. No one is complaining that there is any insufficiency of funds. We did hear, however, from the hon. member who presented the resolution a complaint to the effect that Canadian banks were doing business in other countries, sending Canadian money out of the country, while in the very next breath some other hon. gentleman complained that money was coming into Canada. This shows the difficulty of trying to satisfy everyone. You will see large headlines in the press asking the question, "Why allow foreign capital to come into this country?" and at the same time somebody gets up in this house and declares that we should not allow our capital to go out. Now there is a happy medium, and while I repeat I have no objection to the resolution being studied by the banking and commerce committee, I must say I have a decided objection to advertising to the world at large that Canada has not a national banking system.

Mr. EVANS: Does the minister not take into account the fact that the great debt which the farmers of the west owe the government for seed and feed during the season of 1915 particularly is due not to any banking system but to the fact that the price of wheat in 1917 was set at 50 per cent of its value? May I remind him that when the group which I charge with having the power of inflation and deflation decided upon deflation, wheat was the first thing that dropped, with the result that we had 2,000 farmers fewer between 1925 and 1926.

Mr. ROBB: I am Scotch, and I will answer the hon. gentleman's question by asking another. Would the banks have been in any better position had they loaned the money?

Mr. SPEAKER: Am I to understand that there is an amendment?

Mr. WOODSWORTH: In harmony with the criticism made by the hon. member for Swift Current (Mr. Bothwell), and if it is acceptable to him, I would move:

That in the opinion of this house the time has come for the consideration of the establishment of a publicly controlled national system of banking.

Mr. SPEAKER: Without reading the amendment, I would point out to the hon. member that he cannot amend his own motion.

Mr. IRVINE: As I desire to discuss this matter, Mr. Speaker, I suggest that you call it six o'clock.

Mr. SPEAKER: In the meantime I must declare the amendment out of order.

Mr. WOODSWORTH: It is not my amendment, Mr. Speaker; the suggestion it conveys was made by the Minister of Finance.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. WILLIAM IRVINE (Wetaskiwin): In rising to speak very briefly to the motion before the house I wish to congratulate the hon. member for Winnipeg North Centre (Mr.

Woodsworth) upon his very admirable presentation of the theme, one which it is not easy to present to parliament in the short time in which he had to dispose of it. I wish also to say that I agree with the hon. member for Swift Current (Mr. Bothwell) in the exception he took to the wording of the resolution. Next I want to congratulate the Minister of Finance (Mr. Robb) for the very reasonable attitude which he adopted towards the proposal. I think he indicated that with certain modifications he would not oppose this resolution going to the committee. I think, Sir, that that is a very reasonable attitude. No one will deny that the subject in itself is one which covers a very wide field indeed, one which by its very nature is extremely technical, and that it would be very difficult for the house to discuss a subject of this kind and arrive at any conclusion that would be of service in the future. So that the committee is the only hope in a subject of this kind. This does not, of course, presuppose that the committee will find very much the matter, but it will afford us an opportunity of discussing the subject and investigating it thoroughly.

Now I desire before moving the amendment —which I hope will meet with the approval of the minister, for I have tried to draft it to meet the objections which he offered—to refer very briefly to some of the suggestions that the Minister of Finance made; because I do think that some of his remarks go perhaps a little beyond what he intended. Indeed, I doubt whether he would be willing to admit some of the implications of his remarks. The minister objected to the idea going forth that Canada did not have a national banking system. Now it may be that our banking system is a national system that may be what is the matter with our banking system, but I have never at any time thought that the mere nationalization of anything would cure it. I am not sure that the nationalization of our banking system, even if it were a fact or if we contemplated it, would be sufficient to meet the requirements of Canada to-day, having regard to her condition generally from an economic and an industrial point of view. I do not think that the question is so much who is carrying on the banking; the question is rather what is being done. I do not make a plea now for the nationalization of the system. I make a plea for service from the system, I want to see that system functioning in its proper relationship to the economic demands of the nation. I do not care whether that is done by a private bank or by a national bank. I do not even care if our bankers make some profit out of the transaction. The great trouble does not lie in the profits they make; it lies in their control of a necessity of our economic life, and a control which is not always an intelligent one. During our investigations of recent years the bankers who appear before the standing committee frankly admitted to us that they did not understand the economic significance of finance. They understand, of course, the technique of banking; they are masters of finance in that respect, but they have, by their own confession, admitted that they do not understand the economic significance of finance. So that the greatest difficulty comes when they retard credit at times when credit ought to be released, and they release credit at the very moment when it ought to be retarded because they have not studied the economic side of the question. There, in my opinion, is where the big difficulty lies: not in the management of our banks, be it private or public, but rather in the fact that they are not being allowed to function in their proper relationship to the industrial demands of the country. On the other hand I do not think the minister really means to say that we have a national system at the present time. We certainly have not a national system in the ordinary sense of the term "national". Our system is national in a territorial sense, because our banks have branches scattered all over the Dominion, and our system may be regarded as a national system in so far as our banks have control over the economic life of the state; there is no doubt about that. We also have a national system in so far as the banks enjoy a privilege conferred upon them by parliament, and we may have a national system from some other points of view. But to say that we have a national banking system in the same sense that we have a national railway system—I do not think for one moment the minister really means that.

There is one other point which the minister mentioned upon which I wish to touch. He compared the credit of Canada with that of Australia when the two countries attempted to sell their bonds abroad. I am not in a position to know what are the respective positions of the two countries in that regard. I could however very easily see why the credit of Australia might be impaired by financiers abroad if it be true that Australia has taken a step towards breaking the monopoly of finance in that country. That in itself might be a very good reason. However, I have not the figures, and therefore I must accept what the minister says in that regard without comment.

The point I want to emphasize more particularly is in regard to what the minister said with respect to the soldiers' civil re-establishment scheme. He characterized that

as a loan on the part of the Dominion of Canada along banking lines. Of course the minister knows very well that that is not the character of that transaction.

Mr. ROBB: My hon. friend speaks of soldiers' civil re-establishment. What I was speaking of was the soldier settlement board.

Mr. IRVINE: I accept the correction of the hon. minister. The loan even in that regard was not a banking loan of the type we usually consider banking business. That loan, if the minister wishes to call it so—I do not accept for a moment that it is so, but for the sake of argument assuming that it is a loan, I want to point out to the minister just why it met with such disastrous results as he has indicated, and I do not think the minister will attempt to say that my analysis is wrong because the facts are too patent to admit of contradiction. Is it or is it not a fact that the money in that loan to the soldier settlement board was expended largely upon lands which were purchased at the time when we were at the peak of inflation, and that the settlers were expected to repay that loan when the prices they received for the commodities which they produced had dropped to the very bottom in a period of deflation? To expect them to repay the loan under such conditions was on the very face of it ridiculous. But I want to inquire how it happened that we had inflation, and how it happened that we had deflation.

What were the peculiar circumstances which made the one hundred cent dollar of Canada in one year worth only forty-five cents the next year? To make a long story short, that occurred because we did not have intelligent financial control in Canada. That is why it happened. And who had the control, sir? The bankers' association had control, and those were the fruits of their work. The minister indicates that we have in the treasury board an institution which functions in exactly the same capacity as a federal reserve system would function. If that is so does the minister accept responsibility for the difference between inflation and deflation which occurred in the transaction to which he referred as a failure in national banking? If I recall aright, both the present Minister of Finance and the preceding Minister of Finance refused to accept any responsibility in that regard. I think I am also right in saying that the bankers who were examined before the parliamentary committee in the investigation which took place on the credit question also refused to accept any responsibility for that situation. Since neither the treasury board nor the bankers' association will accept responsibility for what takes place through the instrument which they are both supposed to be handling, I can only come to the conclusion that there is nobody handling it, that it is handling itself, that it is simply running wild, that there is no control.

Some hon. member said that we were wanting easier money, more credit let loose. At the moment I am not so sure but that we want less credit let loose. There is just as much harm in too much credit as in too little credit. Let there be no mistake about what we want in this regard. We want control. We do not want this thing to run wild either in one direction or in the other.

Mr. DUNNING: Can the hon. member tell us how those countries got along with respect to inflation and deflation which had the type of state banking which he is discussing?

Mr. IRVINE: I am not advocating a national banking system. I thought I made that clear at the outset of my remarks, when I said as clearly as I could that perhaps what was the matter with the system we have in Canada now was that it is a national system; for the minister has said that it is. I do not for one moment think that if you nationalize the system we have now it would be any more efficient. What is wrong is that nothing is being done so far as control is concerned. Who is controlling this matter, and what is being done? Nothing whatever so far as control is concerned; and my authority for making that statement is the refusal of the Minister of Finance during the period of depression to accept responsibility for that depression, and the refusal of the representatives of the bankers' association before the parliamentary committee to accept any responsibility at all for that situation. I repeat that if both the treasury board and the bankers' association refuse to accept responsibility either for inflation or deflation, then I must conclude, as every other person must who thinks about the matter, that there is not any agency controlling the financial system of Canada, and I say it is control that we want. We are not asking that any institution shall let loose too much credit, or too little credit. We believe this is a mathematical problem, that the data necessary to arrive at a correct conclusion is not beyond the possibility of human intelligence to get, and that if it is within the grasp of human intelligence, that then the dread conditions which have followed both inflation and deflation ought to be stopped, and this parliament ought to accept the responsibility for stopping it.

This subject, as I have said, covers a very wide field. A very wide field has already been covered by previous speakers, and to make any specific pronouncement would require a very great deal of technique which I do not intend to ask the house to listen to at this time. I will have something further to say on this question when it arrives at the proper place for that kind of consideration, and that is in the committee. I shall not weary the house with any further remarks, but in the hope that the amendment I am about to propose will meet the objection raised by the Minister of Finance when he spoke to the resolution, I move:

That the resolution be amended by striking out all the words after the word "come" in the second line, and inserting therefor the following:

"For the consideration of the improvement of our banking system, and that the banking and commerce committee be instructed to study possible improvements and report thereon."

Mr. F. S. CAHILL (Pontiac): I crave your indulgence, Mr. Speaker, and the indulgence of the house for a moment while I extend to my hon. friend from West Calgary (Mr. Bennett) my congratulations on his elevation to the honourable position of leader of the Conservative party. I trust he may live long to enjoy that distinction, and that he may long remain a leader of his majesty's loyal opposition.

I am glad that the Minister of Finance (Mr. Robb) has agreed to send to committee the resolution moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth). That the present banking system of Canada is inadequate to the needs of Canada is becoming apparent to a great many people throughout the country. I think the leader of the opposition will also agree with the resolution, at least to some extent. The other day he dwelt on the fact that we were losing many people from Canada. He lamented the emigration which has been taking place for some years, and I think if he will study this question of Canadian banking he will find the cause, in a great measure, of the emigration. The present system of banking, centralized as it is, will not permit of the development of Canadian resources by the Canadian people. Those who have given any study to governments or the organization of society have always attempted to get as far away as possible from centralized authority and centralized control; yet we permit that system in Canada in our banking.

We are told that ours is a wonderful banking system, that it is the best in the world. I think possibly, Mr. Speaker, that is because we know no other banking system, because we were brought up with it. We are preached to from time to time and told that ours is a wonderful system, and as we have had no experience with any other we are naturally inclined to believe ours must be a good one. But any system of banking that will centralize the finances of the country in one or two cities cannot possibly be a good one for a country as extensive as ours is in point of area. It is just as necessary to have a financial structure in the country as it is to have engineers. My hon. friend who has moved the resolution and myself might build a railway from here to Winnipeg without an engineer. It would be a mighty poor railway, I admit, but it would be possible to do it. Now, we are attempting to do the same thing in our finances—that is, to build a financial structure in Canada without trained financiers. You will say we have trained financiers and excellent bankers. I agree that we have some, but they are altogether too limited in number. Outside of the two great cities of Toronto and Montreal, you have in Canada practically no trained bankers. You have scarcely a man in a bank in Canada who is competent to give financial advice to his clients, or to the young people growing up in the country, who need the assistance, the aid and the advice of trained bankers. Under our system the banks employ boys, some from the high schools, others from the country store, and some who have not had even that training. In a few years they are themselves managers of branches of the bank, where their only function is to collect money from depositors in the district in which they are located and forward it either to Montreal or to Toronto.

I do not agree with much that was said by my hon. friend opposite about the banks not wanting to lend money. Every bank in the world is just as anxious to lend money as any man who is entitled to credit is to get that credit. Money is absolutely useless to a bank unless the bank can lend it. The bank cannot afford to pay three per cent on deposits and not lend that money; they must do it in order to make a profit; so that I have no quarrel with the banks so far as lending money is concerned. The quarrel I have with the present system is that the money is accumulated only in two large centres, and there are no facilities for lending money except in those two centres. As a result of that condition the banks, not having, as I say, the facilities to make loans other than in these cities, were forced to make improvident loans and suffer great losses, which brought down the number of banks from about thirty to something like ten or twelve. If you study the system you

will readily understand that a bank with four or five hundred branches could not possibly delegate to four or five hundred people the power of the central bank or the power of making loans. Necessarily they must consult with the head office. There must be some head to the institution, and the head is located only in two centres for all of our banks. It is not so much the bankers that are at fault; it is the banking system and the system of establishing branches which will not permit of the development of the natural resources throughout the country.

The Minister of Finance pointed out that we do not have the failures that they have in other countries—I presume he had in mind the failures in the United States. Our banking system has very often been compared to that of the United States, where they have a system of small and large banks throughout the country. True, they have had many trifling failures, but these would not compare with the failures of our banks in any instance that I know of. They have had numerous failures throughout the agricultural districts of the United States in the past few years, but they were only small failures and dealt only with the money of the people in the community in which the bank was situated.

We are also told that this is an elastic system which admits of making large loans to the large mergers. Well, Mr. Speaker, there is something more required in Canada than banking facilities to take care of the large mergers. We want something that will take care of the young Canadian who is growing to manhood and attempting to develop industry in Canada, but who never has an opportunity of talking to a real banker during his younger days, and until he has reached the stage where he can go to Toronto or Montreal and consult with the real bankers of the Dominion there, and only there, he can never hope to establish a credit for himself. We all know that credit is the one essential to success in business, that no man can possibly succeed to any extent in business until by good management and integrity of conduct he has developed the confidence of his associates in his ability and straightforwardness. I repeat, he never reaches that stage because he has no banker to consult with. If he wants to finance an enterprise in Canada he must do one of two things, go either to Toronto or to Montreal where the head offices of our chartered banks are located; otherwise he has no chance of talking to the financial people in this country.

The banking system of the United States—a system that is condemned in some quarters—has succeeded, Mr. Speaker, in developing every resource in every local community in the union. You cannot go from the Canadian boundary to Mexico or from Maine to California and find any resource capable of being profitably developed without being able immediately to get the necessary money right at hand. In Canada it is impossible to do this, and I fear that as a result our banking system has got us to the position where we are very little better off to-day than the people of Mexico. Twenty-five or thirty years ago they were quite willing to transact business with the Americans. They were willing to sell them their natural resources. It was all done legitimately and above board. But the Mexicans found later that they had sacrificed their resources and lost their control to outside people. Well, Mr. Speaker, we are coming to the same position. I read with interest a pamphlet issued periodically by the Canadian Pacific Railway Company. It contains a lot of valuable information and is well worth perusal by every hon. member. One number points out that in 1913 Canada owned only 30 per cent of her national debt, that is, the bonds were in Canadian hands; but in 1923 or 1924 we owned practically 70 per cent—representing, I presume, in the neighbourhood of seven or eight hundred million dollars. The writer also points out that in recent years three or four billion dollars of outside money has been invested in Canada.

Now, I want again to say a word to my hon. friend the Minister of Finance on this point. To my mind, it is not good business to sell to the Canadian people our low-priced government bonds, for it follows that the Canadian who is attempting to develop industry must go elsewhere and pay high prices for his money. It would be much better for the minister to float his bonds outside Canada, and thus leave our domestic funds for the development of our natural resources. We find that great sums of money are being spent here. I am glad to see it, it is a good thing to have the capital available, but it should be spent under Canadian management, if possible; and it would be possible had we had a system of banking that would have developed a number of financiers of this country. They would have been able to finance such enterprises through Canadian banks, and also through outside banks with the help of Canadian banks. How much better this would be for the Dominion than selling our natural resources to outsiders, who will take the dividend cheque out of the country and give us the labourers' cheque—the dinner pail. I regret to have to say so, but we are fast approaching the stage where we will have the opportunity of carrying the dinner

pail instead of cutting the dividend coupon, and I think our banks are more responsible for that undesirable condition that any other agency in Canada.

An hon. MEMBER: Except the government.

Mr. CAHILL: Perhaps so; perhaps the government should have amended the Bank Act long ago in such a way that it would have been useful to the Canadian people. I cannot convince myself, Mr. Speaker, and I doubt if I could convince you or any person else in this house, that the Canadian people are not just as bright, just as energetic and just as able as any other people that we know of in the world. Why should we put ourselves in the position of having to take second place in our own country to others who come in here? I do not believe they are any smarter than Canadians, but they have a system of finance in which they are trained, just as our people are trained in any other profession. We lack that training, we cannot have it under our present banking system, and until we change that system there will be no practical advance in Canada. I agree with my hon. friend the leader of the opposition that we have made no real progress in the last twenty or thirty years. True, we have gained somewhat in population. But how? We have simply traded our Canadian-born for a foreign population. I do not blame the present government, I do not blame the past government, but I do say that the time has come to study the whole question with a view to the good of Canada, let the suggestion come from where it may. If we do not, if we continue along present lines, there will soon be mighty few Canadians left in the country, for, as I have said, we have maintained our population so far by importing people whom we at least claim are not quite as good as our native-born.

This condition, Mr. Speaker, has gone on for years and years. It is only coming to a head now with the formation of gigantic mergers. It is only now we are beginning to realize that the Canadian has not developed his natural resources; it is only now we are beginning to realize that locally our natural resources have not been developed; it is only now we are coming to realize that our money is going to Toronto or Montreal, if not to New York; and if it is not too late to study the question, it is certainly not a moment too early. Therefore I hope, Sir, that the government will offer every facility for the study of this whole question, and will lend their assistance in devising ways and means of bringing about a better financial structure for Canada through a better banking system, and so give to the Canadian his proper heritage instead of forcing him to leave his own country to seek a livelihood.

Mr. SPEAKER: Is the house ready for the question?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: I declare the main motion, as amended, carried.

Motion (Mr. Woodsworth) as amended agreed to.

NATIONAL RESEARCH INSTITUTE

Mr. E. J. GARLAND (Bow River) moved:

That, in the opinion of this house, the time is now come when the further development of our country requires the establishment of a national research institute, and that this should be undertaken by the Dominion government.

He said: Mr. Speaker, my chief excuse, if excuse be needed, for addressing the house on this subject to-night is the apathy of the public on the need for a national research institute. The whole trend of my discourse I hope will be in the direction of sympathetic cooperation with what I understand the government has in mind. At the outset let me congratulate the Minister of Trade and Commerce (Mr. Malcolm) on the statement—which I understand is correct—that there is to be included this year a large item in the estimates for the establishment of such an institute. I am not sure that I altogether agree that the amount proposed to be provided will be enough, but it is going to be a very healthy start in the right direction. It took the war to shatter the complacency not only of Canada but of England in regard to the matter of research. Prior to that time both countries had drifted along without worrying very much about what research meant, what it might do for the country, or anything else. Many of us had grasped theoretically the idea that Germany's great industrial progress was the result of the application of research to industry. It was not, however, I say, until the war itself that England and subsequently Canada realized the value of research in the development of their own resources and in the organization of their own industries.

We established a national research council and to that council belongs a great deal of credit for having maintained public interest during the years that have elapsed. It is true they have had a tremendous task. Public interest started waning in 1918 and it continued waning until a series of articles appearing in the press in 1927 again brought this question before the public. The amount that

is to be expended on this kind of an institute must from the very outset be adequate. At the present time research work is to a limited extent being carried on within our departments of government; our universities are trying to do something along that line, and a few of our larger manufacturing concerns maintain laboratories. But the government services are necessarily largely curtailed and localised; the work of the universities is almost entirely local, and the work of both the government and universities prior to this time has been diffused because of the necessity of carrying on partly educational work as well as research work at the same time. There is in Canada practically not one gentleman who is carrying on research work who is devoting his entire time to it. The other day I picked up an article that was printed in the Canadian Forum and I find that view supported by this statement,

> Scientists in the direct employ of industry in this country are still occupied more largely with regulatory duties than with research. In fine, it is true that with pitifully few exceptions, there are no scientists in Canada whose whole business is research. Almost all are able to devote to research only what dregs of time and energy are left over from other important and often multifarious duties.

Mr. McGIBBON: Does the hon. gentleman mean that in the broadest sense or in regard only to industrial research?

Mr. GARLAND (Bow River): I am dealing with research in its broadest sense.

Mr. McGIBBON: Then that statement is absolutely wrong.

Mr. GARLAND (Bow River): This article, which was written by an expert on this matter, appeared in the last issue, February 28, of the Canadian Forum, and my information, so far as I can ascertain it from others —professors, economists and some members of the research council itself—is to the effect that the number of scientists in Canada who are devoting their entire time, with assistance from either a government or a university, to purely scientific research work is almost negligible. We need them at the work. We have had a few illustrations of what they can do, and if we want to get some idea of the value to the country, one cannot do better than quote Professor McLennan himself in this regard. He says:

> Protection—

To which my hon. friends to the right are very much devoted.

> —is a defensive measure, a necessary defensive measure at times, but if you are going to win real and lasting victories the national policy that I would give you is "Science in the civil service and science in industry."

[Mr. E. J. Garland.]

I venture to say that greater progress will be made and greater happiness and greater contentment be secured for our people by the application of that policy than by any other that our statesmen can put into operation.

On this question of financing an institute it will not be necessary for me to go into very many illustrations covering the argument for the need of extensive expenditure. I will quote just one. A certain professor of chemistry in Germany, referring to a particularly beautiful and valuable piece of research work accomplished by a German investigator at the Kaiser Wilhelm Institute, states that he estimates that this one investigator must have employed over one hundred pounds of phospho-tungstic acid alone, to say nothing of other reagents in the course of this one investigation. Hon. members will understand just what is involved when they learn that phospho-tungstic acid costs about $24.50 a pound. Many other illustrations of that character could be given, and therefore we cannot afford to be niggardly in the amounts we propose to vote for research work from this time onward. In fact, it will turn research veritably into a farce if you limit your reasearch expenditure to a certain small specified sum per annum.

Germany, as we all know, is to-day just one large producing factory, the reason being the application of scientific research for years to industry and to her natural resources. In pre-war days Germany was the one great country that stood out pre-eminently in this direction, and she was the only one that had fully realized the importance of research and its relation to industry. The result was that slowly, relentlessly, her industrial products were competing to a greater and greater degree in the markets of the world with the products of other countries. A gradual realization of this fact was evident, I say, even before the war, but the war itself brought upon us a definite realization of the steps Germany had taken and the strides she had advanced in that direction. We can well remember—I remember it myself as a young man in a university —seeing our colleagues as they graduated leaving Edinburgh university, English universities, even Irish universities, to take post-graduate courses in Germany, in Vienna and so on. We did not have the facilities; we were not interested to the degree they were over there in this kind of work, and we had not provided, with the same enormous quantities of money, research institutes in the old country. A condition of affairs almost identical to that exists in Canada to-day. Our graduating students are leaving us every year in order to take post-graduate courses,

for instance, in Wisconsin, to name one university, and I could name others. It is a tribute to the generosity and hospitality of our neighbours that the facilities of those universities are thrown open to our students without any restrictions or any advance in cost of tuition.

As I said, we have been standing still. The German government and German scientists have, during the years that followed the war, even intensified their pre-war scientific efforts. As an illustration, practically all the work done in the hydrogenation of coal, that is the production of oil and other products, is now being worked out in Germany. England, within the last year or two, has turned her attention also to this important phase of research; but although an Englishman was the first to discover the possibilities in this direction, it fell to Germany's magnificently equipped research institutes to carry into practical effect the discoveries he had made.

We have also a demonstration of the value of scientific research in the production of synthetic methyl alcohol as it is being done in Germany. This is one of the most important products of modern industry. So far advanced are the Germans to-day that they are selling in New York a synthetic article at 48 cents a gallon, a cheaper price than that at which the Americans can produce it from wood. This gives one some conception of the steps that can be made through the application of industrial research to industry. I need not cite other instances of German pre-eminence. They have stolen our steel and pig iron market in the United States. They have complete control of the tartaric acid market to-day, and they make nitrates in Germany, under scientific processes, more cheaply than the Chileans can dig them out of the ground. That is a great tribute to scientific research.

As I have already intimated, Great Britain has been almost as backward in this connection as we have in Canada. Prior to the war England's interest was rather dilatory and academic. In 1913, in that immense nation, only £4,000 was voted by the government as a grant to science; only $20,000 in all England voted as assistance to scientific research. In 1916 the national reseach council was established; it was needed because they had to solve certain problems arising after the war, and since that time this has become a very definite department of government, which in 1926 spent £515,000 in addition to the amounts of money spent by the army and navy on scientific work. In 1926 England employed 2,500 research students in universities and schools, while in 1914 the total government grant for higher education was only £336,000. By the way, it is interesting to note in this connection that Canada, with her relatively small population and scattered area, is voting and has been voting almost as much money for technical education through our federal government, as was voted by England. In that year, we voted £220,000 for technical education, through our federal government. In 1925, however, the situation was realized, and England devoted £1,500,000 to this purpose; the incomes of the universities had increased, through grants, donations and foundations, from £970,000 to over £3,500,000, and the larger part of this increase was being spent on the establishment of research laboratories in connection with the universities, and in the extension of scholarships.

The results are already showing. Sometimes, Mr. Speaker, we find hon. gentlemen in this house and in the other chamber who are critical of expenditures in connection with matters of this kind; they refer to them as merely experimental or academic flub-dub. Practical results are what would appear to be of account to such materialistic or superpractical minds. Therefore we might consider the results in England. The expenditure of £400,000 on fuel research in 1926 brought an annual saving in gas production alone in England of over £500,000 a year. Let us consider another illustration. According to a government report, research costing a very small amount has increased the value of industrial plants engaged in the electrical industry, based on increases in production, by £4,000,000, and the annual saving in one industry alone as the result of the elimination of waste by the application of research is £1,100,000 a year.

Then, as another illustration of the value of work of this kind to a nation, let us consider what has happened in Japan. I do not think there is a member in this house who has not viewed with intense interest, possibly with some alarm but certainly with a certain amount of admiration, the amazing progress made by Japan from a condition of almost industrial obscurity to one of practically first rank, or at least to that of a nation holding high rank as compared with the productive competitive nations of the world. One asks how she did it, how Japan was able to attain such a result so quickly; and I hope hon. members of the house will listen with interest to Japan's record. I take my hat off to that country in this regard; it is one of the most amazing records I have ever read. No other nation has risen so rapidly. One scientist has said, "I have not seen any country where the

same intensity of purpose on the part of educational institutions and governmental departments is being applied to ensure the industrial success of the nation."

First of all, Japan has a complete system of vocational schools located at strategic points in every industrial centre. Then, the six imperial universities of Japan are state supported. We have not a single university in Canada, so far as I know, which is supported by the state, while in Japan they have six. They have also sixty-nine scientific research institutes, agricultural and industrial, forty-five of which are definitely under the government and subject to annual grants from the government of Japan. These plants employ 1,102 experts and 2,214 scientific assistants, a total of 3,316 expert scientists devoting their entire energy to the development of the resources of Japan, to the organization of industry and to the elimination of waste. Then there is another way in which this country has taken the lead. Every year three hundred of the most brilliant students in the Japanese universities are selected and sent abroad, at the expense of the government, to study conditions in other countries, mainly in Germany, Great Britain, the United States and France, with the object, of course, of keeping the Japanese people informed of and in contact with the most recent developments and advances in science and technology throughout the world. Japan has spent and is spending, on the travelling scholarships alone, the enormous sum of $600,000 every year.

What have we been doing? We have nothing that holds a candle to the attempts being made by Japan to develop her own industry. The United States, our nearest neighbour and our greatest competitor in foreign trade, stands out as another example of what we might be doing in this direction; the United States comes next to Germany in sensing the importance of industrial research and education and their relation to productive business. That country realizes it and is applying it so intensively that in certain sections of the United States to-day there is a fear that the trend is rather too much in the direction of industrial research and not enough in the direction of research in pure science. First, the United States has a national bureau of standards, mines and chemistry, really three separate bureaux, on which they annually spend $3,300,000. Then there is the national research council, which is endowed to the extent of $5,000,000. There are research schools developed in every leading university in the United States, and they have over 2,000 travelling scholarships. Technical schools are established in most of the industrial centres, and are on a very high plane especially with regard to laboratory equipment. There are three hundred industrial firms owning their own industrial laboratories, and some of these companies spend as high as $10,000,000 a year on research work. In addition to that, we have the immense Mellon institute, which is also heavily endowed, and which last year spent about $600,000 in research work, of which all but $60,000 was contributed by industrial concerns. Just by the way, it is worthy of note that the motivating genius who made possible the establishment of the Mellon institute was a Canadian, born at Brantford, Ontario, and educated at Toronto university. This is simply another illustration of the fact, so well presented to the house by my hon. friend from Pontiac (Mr. Cahill) a moment ago, that we have the brains and intelligence in this country, but we have not yet learned to apply them either in banking or in research work.

In addition to all the other agencies I have cited, we have of course in the United States the Rockefeller and Carnegie foundations, the first of which is endowed to the extent of $160,000,000, which is largely devoted to research work in science and medicine; and all the great universities have agricultural facilities on a research basis. Mr. Hoover has said, "There was spent in the United States of America last year"—that is, 1926—"approximately $200,000,000 on industrial research, taking all organizations into consideration, and in addition $10,000,000 more on pure science." He was so greatly impressed with the small amount being devoted to research in pure science that for months he placed his entire personal effort behind a drive to establish a foundation of $20,000,000 to further research work in pure science. I may say that in 1926 the bureau of standards conducted, for industry and for the departments of government, 180,000 tests of materials, involving over 600,000 exact scientific determinations. This work cost over $2,000,000. In addition, industries paid out $500,000, through industrial fellowships for the purpose of solving their own problems in laboratories established by the United States under the bureau of standards. The services of the Mellon institute and of the bureau of standards are rendered to all the small industries of the United States, as well as to industries that are unable out of their own financial payroll to undertake the expense

of maintaining individual laboratories and carrying on individual research.

Then I have, Mr. Speaker, to note that a commodity known as furfural, a sort of by-product, a curiosity that knocked around laboratories when I was a boy and cost about $30 a pound, is now manufactured at a cost of 15 cents a pound, and is made from oat husks and corn stalks. And it may be said that this peculiar commodity furfural, manufactured at this cost, enters into some thirty or forty of the most important products of United States factories, spreading all the way from gun cotton to phonograph playing records and tobacco flavouring. If you can imagine the spread of industries embraced in the territory between gun cotton and tobacco flavouring you have some conception of the application of this one commodity to industry generally. The DuPont Powder Company in the United States spent $6,000,000 in research over a period of years, and their report shows that the profit on this expenditure amounts to $82,000,000. They have made $82,000,000 by spending $6,000,000. Mr. Hoover says that research and standardization work of the bureau, in simplifying manufacturing processes and eliminating waste is worth $600,000,000 a year. Capitalize that amount at five per cent and you have an addition to the national assets of well over twelve billion.

Doctor Tory, writing in an article recently, stated:

> It may be said that science and research have added to the national assets of the United States alone in thirty-five years an amount not less than fifty billion of dollars.

And in those thirty-five years we have been standing still—outside of a little departmental work which we conduct on a poverty stricken basis we have been standing still. What few results have been attained in the sacrificing of their own time and energy to research work have redounded to the credit of our enthusiastic and ambitious Canadians; but I repeat that during the thirty-five years that have just elapsed, Canada, in relation to the industrial research progress of other nations, has relatively been standing still. Here is the record. In spite of the handicaps of a scattered population and the lack of population density we have done well in primary and secondary education, fully as well as any other country. Our agricultural colleges rank just as high. Our schools of applied science are fairly good. Our university work in pure science is good, to a point. But now we come to the stage in industrial research where a man must be trained to the point where he can undertake the solution of the major problems. But what facilities have we for the development of these men? None. Up to the period of graduation our people have as good an opportunity as those of any other nation, but all this does not fit them for the real work to-day; it does not fit them for real research work. After your graduation you have to have at least three to four years' experience in one of the best equipped and most scientifically conducted research institutions. We have not got them, but I hope we are going to get them; and that is one of the chief reasons why we find the majority of our best graduates, inspired by a desire for higher training, going abroad. Naturally because of the financial cost many who might be well fitted to undertake this higher training are unable to secure it at all; they cannot afford to go abroad.

The national research council in Canada has done splendid work; it tried partly to meet this condition by founding a series of scholarships a few years ago and spending some $40,000 a year for the last few years in respect to this particular problem. Since 1917, 155 men have been trained in this direction, and 80 per cent of these are employed in Canadian industries, educational institutions, and a few of the departments of government service. The research council spends about $60,000 a year now on assisted researches. These assisted researches are carried on chiefly in the universities, are of a scattered nature and, of course, are local in their application, for the most part at least. The most important of these researches—we know it well in Manitoba, and in western Canada—has been research in the direction of the eradication of cereal rust, and I do not think that any more important problem now places itself in front of the people or the government of Canada. It is something that will save the farmers of western Canada from a gigantic annual loss as the result of rust. One expert has estimated that western Canada—and of course, therefore, all Canada—suffered a loss of twenty odd millions a year through the encroachments of rust on the grain crop. This problem is really technical and in my opinion can only be solved if we will devote the necessary amount of money to it. The university of Minnesota, sixty years old, has a fully organized graduate school, and now covers the whole field of science. To-day the university of Minnesota, with a population in the state less than that of some of our Canadian provinces—note that, less than the population of some of our Canadian provinces—is paying large sums annually to promote this work and has been so generous, as I said a little while ago, as to throw its doors open to our own graduate students in

order that they may be fitted for the higher work later on. The same with the state of Wisconsin; both these universities extend to us every facility. Now if Canada is to maintain her place as a productive nation in competition with the rest of the world she must recognize the absolute importance of the application of industrial research to industry. We cannot hope to keep pace with what is going on in other nations, we cannot hope to eliminate the waste now going on in the industries of this country; we cannnot hope fully to develop our own resources until we have learned to apply research to our own particular province. So far we have been largely waiting for the results of experiment by other nations. We cannot continue as a self-respecting nation if we are going to allow that state of affairs to be prolonged. Canadian industries are practically entirely dependent upon laboratories outside of Canada to certify, for example, to the suitability to our needs of equipment manufactured in this country. The bureau of standards in Chicago is the place to which we send for rulings as to standardization in respect to practically all our own manufacturing requirements.

It is stated that many Canadian manufacturers are contributing to researches carried out in the United States. I think that is possibly true. Let me say that as soon as our research institute is established in Canada large sums of money will be needed to help advance its welfare. In short, Mr. Speaker, we need a standardization service, a bureau of standards that will be of service and of use to the whole Dominion. We need scientific research in industrial and in general economic development. We need a place where research for individual industries may be properly carried out at their request and on their financing. We need the co-ordination, through the institute, of research work in all the provinces. All the results of research should be freely available to anyone who is in a position to undertake the commercial production of whatever commodity may have resulted from that research. I do not think I can be blamed if I lay great stress on that last point. If this research institute in Canada, even at the request of an industry—for the sake of illustration, let us say the pulp and paper industry—applies itself to the solution of a problem affecting that industry, and the result of that solution given to the pulp and paper industry is of enormous practical value in the production of their products, enabling them to reap enormous profits, I say, Mr. Speaker, that if this government is going to turn over for the use of industry an institute which will be financed in part at least by public funds and whose very existence will be due to public funds, no results of the work of that institute should be used for the exploitation of the people of Canada.

Doctor Browne, who is chief of the United States chemistry bureau, says that lignin, a substance found in straw, offers as many methods of utilization as coal tar, and hon. members will remember that coal tar is the product of which the great German dye stuff industry was built. Some ten thousand derivatives are extracted from coal tar. If Doctor Browne, who is a scientific research chemist of the highest order in the United States, states that our wheat straw is capable of producing as many valuable derivatives as that, surely it is worth while for us to establish a research institute to find out whether or not we can turn straw to useful purposes.

Last year the total amount of money spent in Canada on research was $250,000; in the United States $50,000,000; and in Great Britain, $25,000,000. These figures stand out in very vivid contrast—Canada $250,000, the United States, $50,000,000. Hon. gentlemen to my right say yes, but look at the tremendous population of the United States. All right; if we were to finance a research institute in Canada on the basis of the proportion of our population to that of the United States, we would spend this year $4,540,000. Let me say frankly, Mr. Speaker, that if the Minister of Finance wants money to be spent intelligently upon the establishment and maintenance of a research institute in this country, I will give him my hearty support. That is one thing in respect to which I do not think we can afford to be niggardly or to economize.

This House of Commons in 1921 passed a bill recommending the establishment of a research institute in Canada, pointing out that the assets of Canada could probably be increased ten times over by the application of research to industry. That was seven years ago. What happened to the bill? It went to the other chamber, where it was quickly destroyed, and in the speeches that were made in that chamber the reason given for its destruction was that we were too poor to try to increase our national wealth ten times over by research work.

As I said a moment ago, wheat rust alone costs this country $25,000,000. There are ten thousand square miles of the heaviest oil-containing tar sands in the world in northern Alberta, in the Mackenzie river basin, containing enough oil to supply the world's fuel re-

quirements for two thousand years if we could only find out how to extract it. We buy $38,000,000 worth of petroleum and petroleum products every year from the United States, and leave this vast supply up there untouched until industrial research can be applied to its extraction. We have vast deposits of low grade iron ore in Canada, and we are buying $34,000,000 worth of iron ore and iron ore products from the United States. Some attempt has been made, but not nearly the attempt that should be made, to discover some method of utilizing that low grade iron ore so that we can build up an industry in Canada.

Another problem that has been carried to a conclusion in Germany, is the liquefaction of lignite coals. Their brown lignites are not at all analogous to our black lignites of western Canada, but if the same amount of energy and the same brains and amount of money were applied to this problem as it confronts us, our lignite problem in the west would be solved just as Germany has solved hers.

I do not wish to delay the house very much longer. I should like to put on record a statement made by Doctor H. M. Tory, president of the university of Alberta, and president of the Honorary Advisory Council for Scientific and Industrial Research. He says:

> I express to you the full conviction of my mind, based on much study, when I say to you that if we would throw off the mantle of pessimism and the inferiority complex which has possessed us, and risk the use of the trained and trainable intelligence of our own people, in one generation we would add to the national assets of our country the equivalent of our national debt. It can be done, if we have faith in ourselves, faith in each other, and the vision to step out with a forward look.
>
> What is the alternative? I say to you that ignorance will damn any nation. As sure as the sun rises in the heavens, if we refuse the way of knowledge—the only sure way to the future—we shall become a nation of peasants and traders, doing the work of the world for other people, while our national assets go to swell the coffers of men more enterprising than ourselves.

Those words of Doctor Tory might well conclude this very brief discussion of the resolution, but I am going to make one little appeal to those men—I do not think there are many in this house—whose minds may still be in doubt on this question. Is there a man who would dare to put a dollar valuation on the discovery of anaesthetics, the result of scientific research? Who could place a dollar valuation on what that has saved suffering humanity, or who would dare put a dollar valuation on antiseptic surgery? Again, take the internal combustion engine, upon the discovery of which the whole automobile industry was founded. Take Faraday's discovery of the magnetic field—Faraday, the son of a little shoemaker in England, working in his home-made laboratory and discovering the action of an electrical current upon a little paper disc? Faraday did not know what he had discovered, and it is said that when Gladstone came down to see his discovery and asked him, "What is the good of it?" Faraday replied, "Perhaps you can tax it". It was upon that discovery of Faraday's that there was built up the gigantic electrical industry that stretches throughout the entire world to-day, that lights our homes and brings in the radio, that heats our furnaces and does our toast on the breakfast table in a hurry. But Faraday did not know what he had discovered. Is it not worth while then to apply research to your problems, and are you not more likely to find a solution when you have a definite problem before you to solve?

In conclusion, I plead with those who labour and are heavily burdened with too much wealth in Canada to visualize this thing in the interests of the nation as well as their own souls. Monuments on tombstones after they are dead will be but little gratification if they have not the opportunity of looking back upon what they have left behind, but if they can leave their vast and sometimes honestly gotten gains to the establishment and assistance of a research institute, then even the souls that have gone might be able to look back with pride upon the work that is being done on earth. I commend the resolution to the House, Mr. Speaker.

Mr. PETER McGIBBON (Muskoka-Ontario): It was not my intention, Mr. Speaker, to take part in this debate until a few moments ago, and I rise now principally for two reasons. First, I want to contradict a statement made by the previous speaker (Mr. Garland) that there is not a single man in Canada engaged in pure science. Second, I want to congratulate the government, especially the Minister of Trade and Commerce (Mr. Malcolm) and the Minister of the Interior (Mr. Stewart), for the support they have given to this cause for a good many years. It is now nearly ten years since I first raised my voice in this parliament on behalf of scientific and industrial research, and as the years have gone by I have been more and and more impressed not only by the desirability but by the absolute necessity of Canada's indulging in some such form of assistance as is now proposed.

My criticism of the government on this particular occasion is two-fold. First, they are six or seven years too late; and secondly, the support which they are giving to scientific and industrial research is far too meagre. I

believe the Minister of Trade and Commerce is going to ask parliament to vote something like three-quarters of a million dollars for this purpose. If he had doubled, trebled, or quadrupled that amount, it would be more in keeping with the necessities of the case. The time has long since come when this country and every other country must use to the fullest possible extent all the advantages of science in order to keep pace with the other countries of the world. And in that connection, Mr. Speaker, I should not want it to go out to the world in the language of the hon. member for Bow River (Mr. Garland) that the great country of Canada has not been able to produce a scientist; that the universities of this country have not made it possible for a single man in Canada to devote his or her whole time to science. I think, Sir, he must be sadly ignorant of the history of his own country, sadly ignorant of the history of his own province. I recall to his mind certain names which have recently been placed on the honour roll of accomplishment in scientific research—such men as Professor Collip, of Alberta university, one of the principal assistants to Doctor Banting in perfecting the insulin discovery; Professor McCallum, of McGill university; Doctor Banting himself, of Toronto university and Professor Macleod, all of whom are devoting all their time and energy to scientific research. I should like to remind my hon. friend that Professor McCallum has made discoveries which have been recognized the world over. He has been offered the presidency of five universities and he is now devoting all his time to fundamental science at McGill.

Indeed, I do not have to go further than the city of Ottawa. May I direct attention to the discoveries of Doctor Watson and the work he is doing? Need I recall the fact that this government is completing a $70,000 building across the river, and also the remarkable result which Doctor Watson recently achieved in reducing an expenditure of $47,000 in connection with dourine compensation, first to $300 and later to $70? Might I call attention to the work done in the Department of Agriculture in developing the different grades of grain, a work which has meant millions of dollars of value to this country? I do this only to show that Canadians have not been behind in this field; that we have within our own borders men of intelligence, industry and ability in scientific and industrial research.

I should like to ask my hon. friend too, Sir, if he heard anything about the work of Canadians during the war. Are the scientists of Canada behind those of other countries? I should like to remind him of the great task placed on the shoulders of one Canadian during the war, a task equal if not superior to that performed by any other man during that period: I refer to the closing of the strait of Dover against submarines, a task which was given to a Canadian. Gathering about him a staff of Canadians, he and his assistants worked some twelve or fifteen months; the strait of Dover was closed in August, 1917, and not a submarine went through after that. What had been applied there could also be applied in the North sea, we are told, except for one portion which was too deep, and that could be looked after by other means.

I could refer also to the work of a Canadian in connection with the submarine telephone, a thing of inestimable value. I could recall the work in Toronto of Doctor Banting, who within the last few years discovered the secret of the treatment of diabetes. That was something scientists all over the world had been looking for, and it fell to the lot of a Canadian to make the discovery, one of inestimable value to mankind not only in the relief of suffering but in the prolonging of human life; and every year a man's life is prolonged through the application of that remedy means a natural source of revenue to the country.

I might go on, if time would permit, and point out to my hon. friend, to the house and to the country what the different pathologists, the great seekers of the unknown in all the universities of Canada, have been doing in the past, and to show to him that much as we admire immigrants, who come to our shores, we are not prepared to admit that the native born subject is inferior to any man on earth.

I should like to congratulate the government upon the steps which they are taking in this matter. For ten years I have preached this doctrine in the house. I believe that for every dollar they expend they will receive ten-fold in return. I could give the house illustrations which I have put on Hansard in the past of the great returns which have been made on the money invested in scientific and industrial research. I could tell you, for example, of a discovery made by a firm in the American republic to the south where, by improving the grade of yeast, that single firm has saved $500,000 a year. I could refer you to the great Pasteur, and not only in the realm of medicine and surgery; I could tell you about his scientific work in France in connection with the silk worm, splenic fern and with wines

and other discoveries. The eminent Huxley stated that his three discoveries created enough wealth for the French republic to pay off the debt for the Franco-Prussian war.

I could take you to the great industries of Canada and show you their magnitude. We have a fishing industry bringing in about $40,000,000 a year, and we are told by scientists that the waste of oil from the by-products is twenty-five per cent of the total value of the fish. I could point to the waste products of the saw mills and pulp mills and show you the possibilities of creating wealth from material that is now thrown away. I sat on a committee which gathered evidence some years ago, and we were told by scientists that an ordinary load of sawdust would produce ten gallons of ethyl alcohol, while one bushel of grain would only produce about three. Here is an opportunity for utilization of an absolute waste of the industries of this country to-day, material which is largely thrown into our streams and swamps. I could tell you of vast industries that were created during the war. For instance, Mr. Speaker, you will remember that early in the struggle our scientists told us that if Great Britain would only shut off the imports of cotton into Germany the war would be over in six months. When public opinion was brought to the point, and the blockade was put in force, what was the result? Germany put her scientists to work and from cellulose they developed a product to take the place of cotton—and the war went on. I could tell you that when Germany's imports of potash salts were restricted —and, of course, as everyone knows, these form the basis of fertilizers and other important things—the scientists of that country by an electrical process extracted nitrogen from the air and rendered Germany independent of the imported salts. I could tell you about the great artificial silk industry of this country which has been developed, how under pressure and through chemical processes cellulose is converted into artificial silk. Thus I might go on with one industry after another of the Dominion and show how their development has been due to the application of science, and point out the possibilities of the future in this direction. This, sir, is the duty before the government. The waste in our forests to-day is awful to contemplate. In the heart of the country I come from you will see hemlock bark, which in past years was used for the tanning of leather, now allowed to rot, the cost of transporting it to the markets being prohibitive. Some years ago I pointed out to the research council the possibility of extracting the tanning material from the bark by commercial processes. So far it has not been successfully done. But you can take countries like Germany, the United States and Great Britain and note how the application of science to industrial research has brought about remarkable developments in various industries.

Again, Mr. Speaker, I congratulate the government, because it is one of the few times that I can agree with its policy. Particularly do I congratulate my friend the Minister of Trade and Commerce that at last he has had the courage to make a start on this path. I very heartily support him and the government in this policy. My only criticism to-night is that instead of asking for $750,000 they should bring down a requisition for at least $3,000,000. They will need the money in the next two or three years, and they know it. Then why not make a start, and make it with courage, and so give our industries the advantage of the latest scientific research? Let us put them on an equal footing with the industries of other countries. In a word, let us develop Canada for Canadians.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): Mr. Speaker, I do not wish to delay the house at any length to-night, but there are one or two observations that I should like to make now that this resolution presents the opportunity. Naturally it is very gratifying for a member of the government to have the support which has been given me by my hon. friend from Bow River (Mr. Garland) and my hon. friend from Muskoka (Mr. McGibbon). Indeed, I doubt if any other subject has met, or will meet, with as general approval from the house as the subject of the development of scientific and industrial research.

For many years outstanding men in this house have advocated increased expenditure on industrial research. Mr. Hume Cronyn raised his voice in this chamber on many occasions in season and out of season in his efforts to impress upon us the necessity of greater expenditure in this regard, and I believe the time has come when the public conscience has been awakened to an extent that will justify a forward movement in this field of endeavour.

May I compliment my friends from Bow River and Muskoka for having covered a great deal of the subject, which relieves me of the necessity of reviewing it to-night. I wish consequently to point out just two things. First, I appreciate the sincere criticism of my friend from Muskoka that we are not asking for a large enough vote. Let

me tell him that the $750,000 is being asked at the request of the national scientific and industrial research council. After going over the whole matter with that body it was estimated that it would take about three million dollars during a period of five or ten years to construct the laboratories necessary at the capital to carry on this work. It was further felt however that in this year's program it was not possible to spend a greater sum for the first unit of the buildings than appears in the estimates. The council also asked for an increase from $170,000 to $300,000 for administrative purposes for the current year. That increase appears in our estimates. Thus in doing what we propose we are acting on the advice of the only body in Canada which is in a position to advise us. It is true we might have asked the house to vote a larger sum of money, but it could not be advantageously expended this year. The house must remember this fact, that the building up of the executive of the research council is a comparatively easy matter; we have many able public men in the Dominion who will be glad to join the board of the research council and give it the benefit of their advice. The building up of a trained staff to operate the laboratories, however, is a matter which will require time and very careful selection. At the moment there is not an unlimited number of men available with the necessary scientific knowledge to go into the pure science of the many subjects which we will undoubtedly have to take up, and the development of the laboratories will therefore of necessity be progressive. I hope in this connection that from year to year we shall be coming to parliament asking for ever-increasing sums of money as the work develops. I wish, too, to point out that there is a very considerable amount of scientific work being done by the various departments of government, and that this work will have gradually to be amalgamated with the work of the main laboratories. That amalgamation will take time, and the scientific men in the various government departments will gradually find themselves, as opportunities occur, working under one head. That is what we shall try to accomplish.

Now, as to any possible overlapping between federal and provincial endeavours in this field, may I say this? It is the opinion and advice of the national research council that Canada has within the various provinces many research problems which are entirely local. The council feels that from its vote it may be able to assist in research work on such local problems by contributions to a university situated within the province. In that way provincial governments themselves, if they choose to vote further sums of money, will have such local research work under their own observation, so to speak. Without going into a discussion of the coal problem, we know that we have very great fields of coal. We know that our Alberta coal is high in moisture content, and we know that one of the difficulties in coking our Nova Scotia coal is that it is high in sulphur content. Each of these problems is distinctly different. One can be studied at Dalhousie university, the other at the university of Alberta in Edmonton. The research council is quite conversant with the fact that such problems will probably have to be allocated to the different universities throughout the country.

May I now say a word, Mr. Speaker, with regard to the remarks of my friend from Bow River (Mr. Garland)? The hon. member stated and, I think, incorrectly, as the hon. member for Muskoka-Ontario (Mr. McGibbon) mentioned, that there has not been a great deal of research work done in Canada, I would point out to my hon. friend that private industry in Canada in many cases has done some very valuable research work. The work that is being done at McGill university with the support of the pulp and paper industry has put the pulp and paper industry in Canada to the very forefront of that industry throughout the world. That has been done without direct government assistance, though it is true that the Minister of the Interior (Mr. Stewart) has made some contributions toward a building or the maintenance of a building and has cooperated in the work in every possible way.

Let me mention another instance. The Department of Mines of the Dominion of Canada has done some work that is rather interesting, and if I can find a letter which I have on my desk and which came unsolicited a few days ago, it will reveal to the house some of the very valuable work which has been done. A high grade magnesite ore exists in Austria, and prior to the war magnesite was imported from that country as a refractory for open hearth steel furnaces. During the war a magnesite industry was developed in Canada from a low grade ore, but after the war the lower grade ore was unable to compete with the Austrian magnesite which again came on the market. Those interested in the development of this work here appealed to the research council; a great deal of study was given to the subject, and as a result of that research we have now reached the point where these men say that the

Canadian market is being almost completely supplied with Canadian magnesite and a growing export market is being developed in Great Britain and the United States. Thus one of our natural resources is being developed and a large part of the result of that growth flows along export lines. That this has been made possible is due largely to assistance received from the national research council.

I do not want to weary the house by reciting all the work that has been done in connection with agricultural research but it has been considerable. Neither do I want to review all the work that has been done in mining research, but I can assure the house it also has been considerable. I might refer to the benefit we have received from research work done in the United States. Indeed, we have been very fortunate in being able to get the benefits of research carried on by other countries, though I do not know that we should be particularly proud of our being in such a position.

In this regard I desire to make a remark with which all members on this side of the house may not agree. The development of our natural resources is very important; taking a raw product and putting it into a more highly finished state is always essential to the wealth of a nation. Any man realizes that pig iron does not bring as high a price as watch springs. But there is another feature about research: when a need arises and there is a potential market in a nation for a certain product, that product will be manufactured within the nation even though the raw material has to come from the four corners of the globe. Let me illustrate this. Some men say that industry should be indigenous to a country. Very well. Can anyone tell me why it is that Canada imports raw rubber from another part of the empire on the opposite side of the world; imports long fibre cotton from Egypt, brings a heavy commodity half-way around the world to this continent, brings it indeed to the centre of the continent, fabricates it there and then ships rubber tires and rubber shoes to the value of many millions a year back to the country of origin of the raw material? How did that come about? Not only do we do that, but we produce these commodities here at a price comparable with that in any other country in the world. This is more than taking coals to Newcastle. It is bringing coals from Newcastle and shipping them back after they have been re-processed by intelligent labour and science. That is what it means. Research has built up the rubber industry from the milk which was found in the rubber trees to the tires and all the other multitudinous products which are made of rubber. Rubber has revolutionized our methods of transportation. Rubber has contributed to the progress of the world probably as much as any other raw commodity to which science has been applied. But science, while it has built up the rubber industry in Canada to the extent of production per annum to the value of $100,000,000, has done so by working on a product which Canadian industry has brought from the four corners of the earth for the service of the Canadian people.

In appealing, therefore, for a vote for industrial and scientific research, I appeal not only on the ground of the development of our own raw material which we inevitably have to export to some extent in some form, but also on the ground that if we have to export some of our nickel ore, for instance, to a country that wants to make its own nickel products, we should also develop our own nickel for our own needs to the greatest possible extent in Canada. But on the same basis we need to apply science to those raw materials of other countries which we desire to import in order to develop within this country the production of articles which we require for consumption here. I know I do not need to appeal further on this matter.

I am most heartily in accord with the resolution of the hon. member for Bow River, as I feel every member of this house is, and I only hope that the thought thrown out by that hon. member with regard to the support of industry will be heeded by those engaged in industry. The Dominion government owes it to the people to supply the scientific knowledge, the laboratories, the equipment. Industry itself directly benefits, but the consumer benefits also and so does the country as a whole. The past shows that industry itself in the United States has been particularly generous to science and I feel that Canadian industry will respond in the same way.

If the benefits of scientific research in other countries were obtainable in Canada free; if we could get all the scientific knowledge we wanted from Germany, Great Britain and the United States for nothing; if we did not need to spend a dollar to learn all we require to know with regard to science in industry, I should still be in favour of voting money for industrial research. The opportunities in this Dominion of Canada for work in pure science, for work on specific problems, are so great that if we vote the necessary money we shall create opportunities in scientific work for

probably 50 per cent of the graduates of our universities, and we shall be doing something which we can well afford to do by the expenditure of federal money, namely, provide occupation at home for our scientists.

I may say for the information of the house that it is the intention of the government to erect in Ottawa on a ten-acre plot secured without cost from the Department of Agriculture, the first unit of a national research laboratory, and a central power plant as well. This will bring the first unit of the laboratory close to the experimental farm, and will give the officials at the farm the benefit of the research work done there in connection with agricultural science.

May I say further that it is the intention of the government to have the national research council work on all problems with regard to all industries, and if the people in any particular industry think the work of the council is to be devoted exclusively to that industry, they are mistaken. There is further research work to be done in agriculture, as well as in connection with our fisheries and our mines, and as the work goes on and as the house becomes better informed as to what is being done by the research council, I think it will be very interesting to listen to the debates, because I believe many valuable suggestions will come from members of the house who apparently are so whole-heartedly in support of this work.

Mr. TOLMIE: May I ask a question? I should like to know if anything is being done by the research council in connection with the utilization of waste material left in the woods after the logs have been removed?

Mr. MALCOLM: I cannot answer my hon. friend's question offhand. There is an order of the house for a return, which will be tabled perhaps to-morrow, dealing with the various subjects which the research council has under consideration. It covers several pages of paper, and when it is brought down perhaps my hon. friend might look at it and find the answer to his question.

Mr. McGIBBON: I should like to ask the Minister of Trade and Commerce if he would be good enough to have a conversation with his colleague the Minister of Health (Mr. King), to see if he cannot stir the dry bones of that institution so as to get something done along these same lines.

Hon. CHARLES STEWART (Minister of the Interior): My remarks, on this occasion, will be very brief, because I expect to take part in the discussion on the next motion on the order paper, which is almost identical with that now before the house. May I say, however, in answer to the hon. member for Victoria (Mr. Tolmie), that the research work in wood products which has been conducted up to the present has been carried out by the Department of the Interior, and we have not yet commenced the study of the utilization of waste timber. We have been devoting our attention mainly to the study of wood preservatives, wood testing and kindred subjects. Through the generosity of the Canadian Pulp and Paper Association, a laboratory is being constructed at McGill university which will be partly occupied by our staff, where further scientific work will be carried on. I say it will be partly occupied by our staff, because the research work in cellulose and kindred subjects relative to the pulp and paper industry will be carried on by the professors of McGill university.

I should just like to say, Mr. Speaker, that ever since coming to Ottawa, in season and out of season, I have been a consistent advocate of a greater expenditure and a greater endeavour in scientific and industrial research. I think I realized its value from the time Doctor Saunders did so much for the wheat growers of the west when he evolved the marquis wheat; no one can estimate what that meant to our western farmers, and as I have said, from that time on my interest in scientific and industrial research has been constant. We have not been altogether idle in Canada; many interesting problems are being studied at the present time, and I will mention just one in the province of Alberta. Our own provincial university there is studying the extraction of what we think will be helium gas from the products of our own gas fields. I am not going into a discussion of what that will be worth—

Mr. BENNETT: Where is the market for it?

Mr. STEWART (Edmonton): It is an interesting problem, to see whether or not we can extract it from our own gas.

Mr. BENNETT: Why not try something more practical?

Mr. STEWART (Edmonton): I merely mention that as one of the problems under consideration. The same thing can be said about our great tar sand deposits, which were mentioned by the hon. member for Bow River (Mr. Garland).

Mr. MANION: What about iron?

Mr. STEWART (Edmonton): In connection with iron, we have gone this far in the

laboratories of the mines branch here; the slag now thrown off from the deposits at Sudbury could be economically put through a process, and the iron ore utilized. But with regard to the other problem, that of the low grade hematite ores, we have not gone very far in our research work. I may say, however, that we are keeping very closely in touch with what is being done in that connection in every other country, and we are not without hope that something may eventually be accomplished.

Mr. MANION: It is the most important problem to-day.

Mr. STEWART (Edmonton): I agree that it is one of the most important questions, but I would not put it as the most important one. There is another point which I should like to discuss, leaving out the coal question, which will come up later when the motion which follows this one on the order paper is taken up. I wish to issue an invitation to all members of this house to attend a lecture which I hope to have held here, to be given by one of our own officers in the surveys branch, which will show how we have advanced in the making of aerial surveys in Canada. We have the proud distinction at the present time of leading the world in aerial surveys, and it is my intention, for the benefit of those members of this house who may be interested, to have the officer in charge of this work give a demonstration in the railway committee room of how the work is performed, how the maps are made, and the benefits of that method of surveying as opposed to the slower and more tedious method of ground work upon which we have had to depend in the past. I know one of the hon. members opposite made a very serious charge against our map making, but we are quite prepared to demonstrate what we have been able to do in aerial photography, and I can safely say that we are not lagging behind in that field at any rate. The Minister of Trade and Commerce (Mr. Malcolm) mentioned what has been done in connection with magnesite, and there are many other matters in which the scientists of our country have made names for themselves in industrial and scientific research.

My hope is that with the establishment of these laboratories and with the greater encouragement we will be able to hold out, we can get a larger body of young men to go in for scientific work. I think it important that it should be said now that it is the hope of the national council that the universities of Canada shall be first utilized to their fullest extent, because from the universities we shall have to recruit the men to undertake the research work. They will have to be trained and educated there, and to my mind the logical thing to do is to give all these universities, no matter where they are situated, an opportunity to carry out scientific work to the fullest possible degree. Then at Ottawa there should be established a central organization to do such work as the industries of Canada may be desirous of having done, either by a direct grant from the federal government or with the assistance of Canadian industry, much on the principle followed in the bureau of standards and the Mellon institute in the United States. I think it important that we should get out to the public the idea that we are going to utilize all the facilities at present available and then create additional facilities which may not now be in existence for these purposes. Having put it on that basis I think it will appeal to the good sense of every business man in Canada, and so far as the overlapping of work is concerned, I think that can be very well avoided. We have many problems in connection with our natural resources that are awaiting, and have awaited for some considerable time, investigations that will occupy all the time needed, and take all the money and all the men that we can provide for this purpose. Other problems and other fields that are not so important to us may be undertaken by other parts of the empire.

Mr. GARLAND (Bow River): With respect to experimental work that will be carried on in behalf of industry, may we presume that, just as in the case of the Mellon institute, industry will have to meet the cost of the experiment?

Mr. STEWART (Edmonton): That is a little difficult to answer. If the investigation is directly attributable to the industry the answer would be yes; but if it relates to a matter of general importance then it will have to be undertaken by the government itself.

Mr. GARLAND (Bow River): My question had reference only to the request from a certain industry that the work in the laboratory be turned into the direction of solving a particular problem in which that industry was interested. In such a case I take it the industry would have to pay the cost of the experiment?

Mr. STEWART (Edmonton): Quite. That is the method pursued in most countries in which I have had the opportunity of making a study of this matter. It is identical with the course pursued in the United States, and I see no reason why there should be any change in that respect in Canada.

Mr. McGIBBON: In the case of duties delegated to provincial universities, will a direct voice be still maintained in Ottawa?

Mr. STEWART (Edmonton): The national council will supervise the work in order to effect co-ordination and prevent overlapping. Take the province of Manitoba, for instance, where investigation is going on now in connection with wheat rust. I merely cite the work there as an example of what can be done in that direction. It is very important to the province of Manitoba, and quite logical, that the work should be given to the province to undertake in order that it may solve the problem if that be at all possible. Not, may I say, that that fact detracts for a single moment from the general interests that we have in the subject.

That is all I have to say, Mr. Speaker, in the matter, except to add this: I welcome the speeches of all the hon. members who have expressed their views on this question. I listened with very great interest to an address by Professor McLennan in the Chateau Laurier, but unfortunately he was speaking almost entirely to technical men and I said to him then: It is not very much use talking to men who are thoroughly informed. What we want to do is to go out into the country and get the public to understand the necessity of thorough scientific research. I suggested to Professor McLennan at that time that if his lecture were delivered to an audience of business men it would have very much more effect than if delivered to technical men. I think the members of the house can spread this gospel very acceptably. If they will do that throughout the length and breadth of the country and stimulate the public interest it will strengthen public opinion in favour of granting the necessary money and the necessary encouragement, and will have the effect of promoting the development of this work in connection with our universities.

Mr. C. H. CAHAN (St. Lawrence-St. George): I think that we on this side of the house appreciate very much indeed the remarks of the Minister of Trade and Commerce (Mr. Malcolm) and if he is to have the direction and control of this work, so far as the government is concerned, I should like to suggest to him that I know of no department of human endeavour upon which large sums of money may be so uselessly and inefficiently expended as upon national research. In many parts of the United States they have attempted, by way of industrial research, to start from the elements up, thinking that it was quite unworthy of their institutions that they should profit by the results of the scientific investigations made during the past fifty years by other countries. That is one way of spending public money, or money privately contributed, most inefficiently and uselessly, and I suggest to the Minister of Trade and Commerce, or to the Minister of the Interior (Mr. Stewart), whoever may have the matter in charge, that the results of scientific research in every country of the world, except so far as it is made confidentially by private industry, is open to them to-day, and that they should profit to the utmost by the attainments and the achievements of other nations, up to the present time.

To do that Germany followed this method: She placed in every industrial country of the world some of the brightest young men out of her technical schools, keeping them abroad sometimes five, or six or seven years, to become acquainted with the most approved methods in engineering and in chemistry in which she has herself been so successful. Japan followed Germany's example. During the war I was temporarily in charge, as chairman of a board, of some seventy or eighty large engineering firms and the work which they were doing, and we had a request from the Japanese government to permit certain of their young men, whom they were sending abroad, to have access to the work which was being done and to be informed as to the results which were being accomplished. Japan placed large numbers of young men in England, in the United States, and in Canada in order that they might ascertain the methods and the processes which were being utilized to achieve certain satisfactory results, and they have profited since by the information which these young men took back with them.

I quite agree with the purport of the remarks of the Minister of Trade and Commerce. I think it is satisfactory indeed that we have a gentleman in his office with the ideals and with the wide view of industrial conditions to which he has given expression to-night. But I suggest to him that his institute or his council of national research, by whatever name it may be called, should endeavour to place before the public, and especially before the industries of Canada, the results achieved by the industries of all foreign countries in the same line of work, in so far as their attainments may be made public; and if he were to publish from time to time some leaflets showing the results of these investigations abroad similar to the commercial reports which he now issues—many of which I, though not a commercial man, find most interesting indeed, although I think

they may be improved in some respects with time—if these results were made known to our industries, it would help very much I believe in assisting our industrial research departments to achieve still better results. Further I think they should take into consideration, as they intend to do, the development of scientific research in our own educational institutions. We have, I know, in my own native province of Nova Scotia, been doing for some time very considerable advantageous and beneficial work for that community. In the city of Montreal during the last five years the provincial government, through one institution there, has been training young men as efficiently as they have ever been trained in any government institution in this country. In addition to that, there is technical training being carried on by McGill university. Those young men who are being so trained should be utilized by the council and sent abroad wherever there are industries being prosecuted that are akin to those we are undertaking here, and in which we are making research, so that they can study the processes in use abroad and bring home to us the latest scientific attainments of foreign countries for application to our industries here. We should not attempt in Canada to extend and diffuse our efforts over the whole broad field of industrial research, because to place our institutions on such a plane, and assure even moderate success, would take the entire revenues of this country; but by utilizing the information which is available to us abroad, and applying it to our own necessities, we will, I am sure, achieve the best results in the work which has been outlined by the Minister of Trade and Commerce.

Mr. T. L. CHURCH (Toronto Northwest): The resolution before the house, Mr. Speaker, asks for a national research institute. Nero never fiddled while Rome burned like this government has done on this question, and the first thing Canada should do in the way of research is to dig up an all-Canadian tariff policy that will keep Canadians in Canada and give them a job in their own country. That is the first great corner stone in a scientific and industrial research policy.

We have one useless commission now dealing with industrial and scientific research known as the tariff board, to which the main economic questions of this country have been referred. We are spending hundreds of thousands of dollars on that board, which fiddles with the tariff on behalf of the government while thousands of young Canadians go to the States in search of a job.

You can find out more about research in this country or the lack of it in the death and marriage notices in the papers than you could learn from the statements of the two ministers here to-night. Just the other day I read of a railway man 48 years of age having been killed in Toronto. One of his sons came home from Detroit just recently to get married, and now his other two sons, twenty and eighteen years of age respectively, have also come home from Detroit, where they had gone to get a job, for the funeral. These men along with thousands of other young Canadians have been driven across the border because of the lack of knowledge and study and research on the part of the government in the matter of a proper economic policy for this country. The Minister of Trade and Commerce (Mr. Malcolm) is not going the right way about solving this problem. He was in England not long ago. I wonder why he did not bring before the house the recommendations of the empire marketing board in regard to agriculture and industry of all kinds. It would have been better for him to do that than to create another large spending government department to spend money like the tariff board is doing. The government should do something practical. Let them lay down a policy of giving grants to the different universities that are carrying on research work in different lines—medicine at McGill, for instance, and science and medicine at Toronto university.

I should just like to quote one paragraph of the report of the empire marketing board of London, England, and suggest to the two ministers who have spoken to-night that if they want to do something practical along the line of scientific and industrial research they should provide the members of this house with a copy of that report, and act on its recommendations. Here is that board's recommendation on research:—

> The board has made no attempt itself to engage directly in scientific research. Its proper part was seen clearly from the outset to be that of fortifying existing scientific institutions in such measure as would enable them to intensify or develop their work, and of making possible the establishment of new institutions to meet new and proven needs. Moreover, in deciding upon the allocation of grants for research, the board has consistently been guided by the different government organizations, whether at home or overseas, that were best qualified to advise it.

I suggest to the minister that instead of providing another large institute he should utilize the organizations that are already in existence carrying on scientific research, namely, the universities. There is in Toronto one scientific organization that has been in

existence for from forty to fifty years—the Canadian institute on College street.

As I said when speaking in the house on this question two or three years ago, everybody agrees with the necessity for scientific research. As Premier Baldwin of Great Britain says, "shock absorbers" are necessary in industry. Take the radio, for instance. As I said in a speech on the budget in 1926, from which I now quote, "it almost ousted the phonograph, but the makers of the latter instrument were forced to make a better product, and it kept its place. Gas illumination was almost ruined by electric light, and the gas mantle saved it. Nickel companies were satisfied to produce for warfare purposes only, but now they are turning to many useful domestic lines. Coal fuel is in a bad way; this industry had no shock absorbers because it was of the opinion that it had a perpetual monopoly, when along came petroleum and gasoline. Great Britain, United States, Germany and Canada are countries where the coal business is in a bad way. The by-products of coal can and should be utilized, and will give larger profits than the raw product itself; I predict that in twenty years every coal mine in the country will make liquid fuel at the mine. According to the Montreal papers the Canadian Pacific Railway have placed orders for more coal burning locomotives, but the oil burning car has come to stay. A new type of gasoline which is now being put on the market will revolutionize the type of motors used in automobiles. The vast future of nitrogen will cause a great upheaval in agriculture. Every industry is being revolutionized by new scientific discoveries. If business is not associated with scientific men, business will go to the wall. The national research council is doing good work, and can keep industry informed of what is going on. It can show the time to draw in on one business and expand on another, and any banker should know how that information will affect industry."

If the minister wants to do something practical in scientific research, let him give grants on a standard basis and let him help the universities that are carrying on this work. Two years ago practically the entire class in electrical engineering at one of our large universities had to go to the United States to look for jobs, notwithstanding the magnificent development of our water powers. The government should lay down the basis and specifications on this question on which universities could get grants. Many of our most brilliant students who have won the highest honours in medicine, scientific chemistry, and other branches of scientific work, have to take menial jobs as cooks and waiters on the boats on the great lakes and the St. Lawrence in the summertime; they should be engaged on research work by a government policy. So I appeal to the minister to do something practical and give more money to the universities and hospitals and science schools, which have been pioneers in research work.

We have listened to a good many speeches on scientific research to-night. There are too many of these Neros fiddling on their violins to the tune of scientific research, about which they know nothing. A proper tariff policy would do more for this country in one week than any other agency I know of for scientific and industrial research.

Scientific industrial research can do nothing to aid the manufacturers of Canada without at the same time helping the manufacturers of the United States, and any money that we spend on scientific research work in this country will benefit also the people of the United States. As I said before, the main research we want is a research which will keep our raw materials in our own country, and a research for a tariff policy which will stop the spending in the United States of $600,000,000 of Canadian money for high priced American goods from that country, many of which are made out of our raw materials. We pay for these goods in the raw materials of our country. These raw materials will soon be gone, unless we find a scientific research and industrial tariff policy that will provide employment for the men of Canada, 88,000 of whom are driven out of Canada and sent to the United States every year. These 600,000 Canadians—or 88,000 per year, as I have figured it out—have had an overdose of research work and have gone to the States to look for a job. What do these 600,000 noble Romans care for the violin playing of the Neros on the government side who fiddle with this question here? How will this scientific research proposal now benefit them? I think the government should co-ordinate its work in this direction with the scientific research work of the universities, in reference not only to medicine and manufactures, but to electricity, chemistry, and by-products as well, and instead of imposing on the taxpayers of the country another large government department with a lot of officials, it would be far better if the government adopted the policy of the empire marketing board in England, where the government lays down a

specification for the universities, where those engaged in industrial and scientific research can qualify for grants.

It seems the government policy of the country so far is search and research to discover capital on the seven seas where we have not an ambassador. That is the limit of our research. I commend the wisdom of the member who brought this matter before the house, but I believe you would get far better results from a policy that would hand the money to universities and other departments I have named, to spend on a standard government plan and specification. I believe the main research which the country wants is a research policy that will frame a Canadian tariff that will provide work in Canada for the Canadians, so that we can keep our young men at home. A large number of Canadian graduates of universities go to the States annually to make a living, not only in chemistry, but in other trades and professions. We would get far better results if we could formulate a Canadian tariff and economic policy that would keep them at home.

Mr. THOMAS CANTLEY (Pictou): I hesitate at such a late hour to join in the general discussion, but I have listened with a great deal of interest to practically every member who has spoken on the matter before the house, and with the exception of perhaps my hon. friend who has just resumed his seat (Mr. Church) the discussion has been along practical lines. I should like to ask the Minister of Trade and Commerce (Mr. Malcolm) what he has in his mind as to what the government will do in regard to industrial research. I was much interested in the remarks of the hon. member for Bow River (Mr. Garland) who made an excellent speech. His only error was that of exaggeration, and he did exaggerate, which I think greatly weakened his case. We in this country, in common with the mother country, have made progress mainly through the old road to progress, which is by trial and error. In that way was worked out for us nine-tenths of the problems in the industrial fields. The pioneers in industry in this country, as in other countries, wrought out without scientific research, and in most cases without scientific knowledge, a great many of the fundamental problems of this country, as was also done in other countries.

Take the steel business. I go back forty years in my experience in connection with that business, the only one I can claim to have any practical knowledge of. About the year 1888 we in New Glasgow changed over from acid to basic steel manufacture. We had to get a refractory furnace lining that was basic, or either basic or neutral. Where did we get the material? We actually brought dolomite from Great Britain when we had millions of tons of it within two or three miles of our furnaces. We afterwards brought magnesite from Austria, and I remember well the problem we had to meet and solve at that time, when we actually paid as much as 28 cents each for nine by four and a half inch bricks. Few people are familiar with the history of the conditions incident to those early days. These problems are now all worked out, but we then had to work them out very largely without the assistance which is now proposed to be given to industry.

Our progress in all branches of industry in the future should be very much greater than it has been in the past; I have not any doubt it will be, and it ought to be. Some questions were brought up as to unused raw materials, and our friend from Bow River referred to tar sands. Then our attention was directed by other speakers as to what might be got out of sawdust and hemlock bark. The problem connected with these products is largely a matter of transportation, that is the question to be solved in regard to the treatment and utilization of products of that kind. Scientific research will not solve that problem. We know that we can extract the oil from the tar sands, but the difficulty is that these sands are so far removed from where the product can be used, and the sands so much disseminated, that it is primarly a question of transportation and not of treatment. I hope the minister will make a little faster progress than, as I gather from his remarks, he is likely to make.

The other point I would like to stress is this: I think it would be of some advantage to him and great advantage to the country to take counsel with some of the practical men in industry. The difficulty with all these scientific gentlemen is that they are inclined to run higher and higher and deeper and deeper into scientific questions and overlook the practical questions that lie under our feet, which are really the important ones. If you will consider all the great advances made in the mechanical arts I think you will find that in the majority of cases they have been wrought not by scientific men in colleges, but by the practical men in intimate touch with the work that lay before them day by day. Take Colt and Bessemer, take Thomas and Gilchrist, Martin, Riley, and all the great men in the iron industry: not one of them was a scientific man, and for the most part they were practical workers who mixed brains and

observation with their daily work. These facts must not be forgotten. If the minister is to make a success of the enterprise upon which we are now embarking, I think he will gain enormously if, before finally deciding the details of the establishment, he will take counsel with men who have a practical knowledge of the many problems that confront them in the various industries of the country which he plans to serve by his project of scientific research.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I desire to direct attention to the fact that the resolution now under consideration does not involve the payment of public moneys for the purposes mentioned by the minister. Therefore I do not propose at this time to discuss the matter, reserving it for the moment when the estimates are under consideration. But this I do desire to say: I do not think the country is ready to see the duplication of these activities established in all parts of the Dominion. There are several state or provincial universities actively engaged in this work; there is one in British Columbia, one in Alberta, one in Saskatchewan, one in Manitoba, and one in the great province of Ontario. To each of those universities large sums of money are voted from year to year, and very considerable portions of that money are devoted to the purposes of industrial and other research. Instances were mentioned to-night as to the methods pursued and the results obtained in some of the provinces by virtue of those expenditures. But if we are to establish at Ottawa a national research institute for the whole of Canada, as the minister suggests, we must be extremely careful that we do not duplicate the activities already existing, and expend money for purposes for which money is already being spent in other places.

For instance—although perhaps this is not the time to discuss it—the Minister of the Interior (Mr. Stewart) spoke of what was being done in the pulp and paper industry. I think when the matter is investigated it will be found that it is an effort on the part of the Dominion government to duplicate what is being done so well at McGill university. Again, the work that is being done in this city with respect to animal husbandry has produced wonderful results, but similar work on another scale is being done in all the provinces. Then take the work that is being carried on in the Connaught laboratories, a very valuable work—I have not the time to discuss it now. In short, in every part of Canada you will find research work being conducted, and we must be careful not to duplicate those efforts if we are to make this undertaking the success that we all hope it will be.

But what my friend from St. Lawrence-St. George (Mr. Cahan) said is, I submit, much more to the point. Having at our disposal the advantage of the wide knowledge obtained by the hundred and ten millions of people to the south of us at an expenditure of fifty million dollars and more per annum, and of the experiments carried on in Germany, it does occur to me that one of the first things we should do is to expend public moneys for the purpose of ensuring that the knowledge thus obtained in other parts of the world shall be made available for our own people. That, it seems to me, is one of the great uses of this industrial research bureau. There is a tendency—not confined to Canada alone—when you place certain persons in authority, and give them the opportunity, for them to endeavour to extend their activities and to carry on their operations over a very wide field. That I think is something we have all experienced.

While perhaps it is not the exact moment for me to make these observations, in view of what the Minister of Trade and Commerce has said to-night, I venture to suggest that a very earnest effort be made to see to it that whatever experiments are carried out and whatever research is undertaken will be something of a practical character and that the results will be made available to the Canadian people. We should utilize not only the knowledge which we ourselves obtain, but also the wide knowledge available to us by reason of the researches and experiments conducted in other countries. I could give my own experience of coming in contact with men from foreign lands who were visiting this and other British dominions merely for the purpose of ascertaining what knowledge had been obtained by experiments and research work in order to utilize it in their own country. That is important. I desire to add my voice to what has been said by my hon. friend from St. Lawrence-St. George as to the desirability of careful scrutiny of every effort that is being made to ensure that we utilize not only our best brains for scientific effort in this country, but also the methods and the wonderful knowledge that has come to us from other countries.

There is just one difficulty. I think we should not have too high hopes and expectations with respect to this matter. I remember during the war the representatives of a great American firm coming into our far west to

look over some very valuable mineral deposits there. They were convinced that during the war they could be made very valuable, but they stated frankly that our limited population meant that the by-products would be without a market. It does occur to me that when we are dealing with tar sands hundreds of miles in the northern part of Alberta, we must always remember that as long as we have near at hand raw products that can be made available at lesser cost than the far-away raw products, the former will have the preference. That is a fact we must always bear in mind in a country such as ours with a limited population.

I do not intend to discuss the matter further, Mr. Speaker, than to say that the effort which the government is now making is a tardy recognition of the untiring zeal that characterized the efforts of Mr. Hume Cronyn, to whom the Minister of Trade and Commerce has referred, and of those who in that day constituted the government of Canada to promote an intelligent and lively interest in the problems of scientific research. Let me repeat, I do trust that there will be no duplication of effort, that money will not be improperly expended as it may be by reason of the tendency of human nature to extend its efforts over wider areas than are consistent with the attainment of the best results; and above all, that we utilize the moneys available for the purpose of making known to Canadians the achievements of scientists in other parts of the world to discover how best to deal with industrial and other problems.

Motion agreed to.

LIGNITE AND BITUMINOUS COAL

UTILIZATION BY CONVERSION INTO CRUDE OIL AND OTHER COMMODITIES

Mr. T. E. KAISER (Ontario) moved:

That, in the opinion of this house, the government of the Dominion of Canada should immediately initiate such measures and take such other steps as may be necessary to bring about the utilization and transport of our vast deposits of lignite and bituminous coal, by their conversion into crude oil and other valuable commodities of every day life.

He said: Mr. Speaker, the subject of this resolution is attracting a great deal of attention not only of the people of Canada who happen to have been studying it, but also those of other countries. It seems to me fitting on my part to say that I have been interested in this subject more or less for a number of years, having some twenty years ago associated myself with the undertaking of producing gas for the city of Oshawa. That association induced me to make a study of the chemistry of coal. During recent years, especially the last twelve months, certain matters brought to the attention of the people of Canada have aroused a tremendous interest in the subject. In order that we may visualize our interests in it as Canadian people I would draw the attention of the house to certain facts which confront me. In the first place the Dominion of Canada has a deposit of 1,250 billion tons of coal. This is a tremendous figure. In 1890 a commission in England undertook to investigate the quantity of coal there was in England and it found that there was a deposit of 100 billion tons of coal in that country, so that for every ton of coal that England ever possessed the Dominion of Canada can lay down twelve and one-half tons. From sixteen to twenty per cent of the coal of the world is contained within Canada. That is a tremendous thought.

The next thought is that we import 480 million gallons of oil and 58 million gallons of gasoline per annum. What have we in the way of production in this Dominion? For every 100 barrels of oil used in this country only one is produced here. The next thought that impels me to say something on this subject is that, in spite of all that we may say there is coming over Canada and the United States a great change in the method of heating our houses in the cities and in regard to the general consumption of coal. The use of fuel oil is a matter that commands our attention. I find, for instance, that about seven per cent of the heating in Toronto is by oil and oil furnaces. Mr. Taylor, the head of the coal industry of the United States, has placed himself on record in this regard, that for heating purposes in that country oil has taken the place of coal to such an extent that in one year, 1925, it has displaced 200 million tons of coal. We are therefore confronted with the increasing use of fuel oil, its convenience and its fascinating features, and with the fact that we have very little of it in Canada.

Let us look at this matter from another point of view. We complain of so much coal being imported from the United States. It is not the coal that we object to: it is the adverse balance of trade of $216,000,000; that we wish to restore by using our own coal, and that from a sentimental point of view we would prefer to use our own. But we are not making any headway towards a balance of trade if we simply change from the consumption of coal to the consumption of oil, if the oil comes from the United States of America. In 1927 a metallurgical congress was held in this Dominion, and among

the men who came here was Sir Robert Horn who told us that the British Empire uses 11 million tons of oil a year. He also said that the whole empire produced only 3 million tons of oil and that we depended upon other countries for the remaining 8 million tons of oil per annum. He along with Sir Richard Redmayne pointed out that within the Dominion of Canada we had deposits, vast, wonderful, beyond all measure, from which possibly the oil used in the British Empire might be found in the future.

Let me come now to another point. I agree with a great deal of what has been said with regard to research, but I would point out that as regards the matter which I am trying to discuss the world has passed the period of research. We are not discussing to-night something that is yet to be discovered; we are going to confine our attention for a few moments to something that is already found. The matter is one not of research but of the application of knowledge which has been evolved by other people in other parts of the world. In 1926 at Pittsburgh the congress of bituminous coal people gathered and a German named Frederick Bergius appeared upon the scene, who read a paper entitled "The liquefaction and hydrogenation of coal." This paper attracted the attention of the scientific world and to-day his statements and findings are matters of world interest. In 1921 he came to Canada and obtained a patent for a process which he had evolved. In 1923 he again came to Canada and took out another patent. In 1926 he came to Canada once more and took out a third patent. This patent was with regard to processes which he had evolved and the details of which he announced in Pittsburgh in November, 1926. I am not prepared to say that the findings of Bergius constitute the last word in the evolution of this great question, but I am prepared to say that what Frederick Bergius discovered and what he evolved is a matter of first-rate, vast importance to this and every other country. If I am mistaken in saying that—and I might be—my mistake is shared by some very practical and important people. Is it not marvellous to think that the Standard Oil Company of New Jersey, managed by probably the best and most astute business men in the United States, should have gone to Germany and purchased from Bergius the right to manufacture oil from coal in the whole of the United States? It is a marvellous thing that Germany should have backed this process with $500,000 the first year, increasing the amount year by year; it is a marvellous thing if the best business minds of England have been deceived in this matter, because in writing to Bergius and asking certain details in regard to this process, he referred me to a syndicate in England known as the British Bergius Syndicate, which bought the patent right to produce oil from coal in the whole British Empire. I was curious to learn who was at the back of this particular move in England. A friend of mine in London sent me the prospectus of the company which has taken over these patents and now holds them for the Dominion of Canada, and I find that the company is capitalized at $275,000,000, so there is something substantial in it. At the head of the company is Right Hon. Sir Alfred Mond, who is well known in Canada and who is regarded as a first class business man all over the world. Associated with him are such men as Sir Harry McGowan, Right Hon. Lord Ashfield, Sir John Brunner, a name well known in business circles, the Marquis of Reading, P.C., G.C.B., G.C.V.O., G.M.S.I., G.M.I.E., and others; so it will be seen that leading business men of the British Empire are behind this process.

I would like to say just a word or two in regard to the process itself. For a great number of years chemists have been endeavouring to produce oil out of coal by what is commonly called the breaking-down process, but this man Bergius got it in his mind that this end could be attained by a synthetic method. A ton of coal was found to consist of sixteen parts of carbon to one part of hydrogen, while oil consists of eight parts of carbon to one part of hydrogen. Other scientists undertook to reduce the carbon content, but Bergius injected hydrogen and raised the hydrogen content to produce the oil in this way, and he succeeded to the extent of having his process backed by millions of dollars in Germany. He now has a plant in that country which is expected to turn out this year 100,000,000 gallons of crude oil, which will then be put through the distillation process. It has been found that a quality of coal suitable to this process will produce 30 per cent of gasoline, 30 per cent of fuel oil, 30 per cent of lubricating oil, and will leave a residue of only 10 per cent. The statement points out that this process will apply to any kind of coal except anthracite, but it has a particular application to lignite, and he has found that in putting even lignite coal through his process there are many varieties of that class of coal which require minor changes in the process.

I suppose technical details would be wearisome at this time of night, but I do say that it strikes me as wrong that anyone outside of Canada should secure a patent which will tie up some of the natural resources of this coun-

try and prevent the application thereto of our own genius and talent. I claim that in this case the government should have an option on this particular process, because if it turns out in the way anticipated it will have a tremendous application in this country. We should look upon our natural resources as assets to be developed—I believe the people of Canada are getting a little tired of hearing politicians speak of our great resources, and so on, ad libitum. We should undertake to do something with those resources.

Mr. SPEAKER: It is now eleven o'clock. The hon. gentleman will retain his position on the next private members' day.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, February 14, 1928

The house met at three o'clock.

PATENT ACT AMENDMENT BILL

The house resumed from February 10 consideration in committee on Bill No. 7 to amend the Patent Act. Mr. Rinfret.—Mr. Johnston in the chair:

On section 1—Manufacture for reasonable requirements.

Hon. FERNAND RINFRET (Secretary of State): When we were discussing this section the other day reference was made to the words:

Not less than one year after the thirteenth day of June one thousand nine hundred and twenty-three.

It was pointed out quite properly that this revision was perfectly obsolete. I may say that it was intended in this act to reproduce the exact wording of the revised statutes. I quite admit it has no meaning at all. At the same time, if we adopt the other phrase, "one year after the passing of this act" it may be misconstrued, and may be interpreted to mean that we intend to give an additional year to the holder of the patent. I move that we rescind the amendment made the other day, and strike out the words: "and not less than one year after the thirteenth day of June one thousand nine hundred and twenty-three."

Mr. CHURCH: Will the minister tell me what he proposes to do, now that he has struck out the amendment, in regard to having in Canada a national patent and trade mark policy? On looking up the records I find that under this section over 90 per cent of the trade marks are owned by aliens. My point is that all these patents which deal with the raw materials or natural resources of Canada should be under the control of Canadians. The commissioner of patents should be given power to require that these patents shall stay in Canada and that the product shall be manufactured in Canada for the time limit of one year. I find in other countries where similar legislation is in force, what they call a national policy, and provision is made for the revocation of a patent in such cases. What is the result to-day of this patent law which we have in Canada? Has there been any revocation? I do not believe there has been a single revocation. An American citizen comes into Canada, goes to the patent office and files his application under this section or some other section. He procures his patent, goes to the United States with the patent in his pocket, takes the raw material from Canada and manufactures it in the United States.

In the case of the radio and motor car business, if we had a law providing that all the work should be done in Canada, it would create employment for our people. You cannot go to Washington and secure a patent, and then take the profits accruing therefrom out of the country, for there they have a national policy in the patent office, a policy that applies also in other departments of the United States government. To-day we have no brakes to control patentees, and I am confident that a return to the house will show that over ninety per cent of our patents and trademarks are held by other than British subjects. If this bill is the best the government can do in consolidating our patent act, the sooner we make a patent law after the American pattern the better it will be for Canada.

Mr. RINFRET: Mr. Chairman, as I explained the other day, the object of this bill is to bring our patent act into conformity with the decisions arrived at by the countries which met at The Hague international conference. On Friday the committee was quite agreeable to the bill. I think my hon. friend will agree that when a patent is granted we should see to it that within a reasonable time the patentee manufactures under his patent for the benefit of the country.

Mr. CHURCH: I would remind the minister that this bill is now before the parliament of Canada, not The Hague conference. I appeal to him as a Canadian interested in the development of our natural resources to see to it that we have in our patent law a national policy that will ensure the patented

article being manufactured in Canada for at least a year, to give Canadians a chance of employment. Our present patent law is driving our people across the border to work up our raw materials there.

The CHAIRMAN: When this bill was last before the committee clause 1 was amended. In line 8 the words:

—thirteenth day of June one thousand nine hundred and twenty-three—

were stricken out, and the words:

—after the passing of this act

substituted. The minister now moves that the amendment be rescinded and the words in the seventh and following lines:

and not less than one year after the thirteenth day of June one thousand nine hundred and twenty-three

be struck out.

Amendment agreed to.

Section as amended agreed to.

Mr. RINFRET: I now ask, Mr. Chairman, that we revert to clause 2, where the same situation occurs. I move that we also rescind the amendment agreed to last Friday and that the words:

not less than one year after the thirteenth day of June, one thousand nine hundred and twenty-three

be stricken out.

Mr. CHAPLIN: Please read the amendment.

Mr. RINFRET: It is the same amendment as we have made in the preceding clause.

Amendment agreed to.

Mr. RINFRET: Since the bill was in committee some interested parties have reported to me that we might possibly make a change at the thirty-first line. It says:

if a license in respect of said patent has previously been granted under section 40,

I may explain that the commissioner of patents does not grant the license; he simply orders the patentee to do so. The intention of the legislation would be carried out if we substitute for the word "granted" the word "ordered," because a case might arise where a patentee had been ordered to grant a license and had not done so. I believe that under the other sections of the act we could still proceed against him and revoke his patent. However, I think the clause will be much clearer if it is made to read:

if a license in respect of said patent has previously been ordered under section 40.

[Mr. Church.]

I would therefore move, Mr. Chairman, that in line 31 we strike out the word "granted" and insert the word "ordered."

Amendment agreed to.

Mr. CHAPLIN: Mr. Chairman, in the same section, a few lines below the place to which the minister has just referred, are the following words:

and unless the patentee proves that the patented article or process is manufactured or carried on to an adequate extent in Canada.

Will he kindly explain what "adequate extent" means?

Mr. RINFRET: A similar question was put to me the other day. It is within the discretion of the commissioner. If my hon. friend will revert to clause 1, subsection (c), he will see that the commissioner considers the petition, and has discretion to determine whether in his judgment the requirements of the public are adequately provided for and the article adequately manufactured. I may say to my hon. friend from South Wellington (Mr. Guthrie) that although we were very much pleased last week to do away with the split infinitive, the words "adequately manufactured" are used throughout the bill, and practically form a verb by themselves. It is immaterial either way.

Mr. CHAPLIN: Mr. Chairman, I expected some such answer from the minister. I believe the reason why Canadian patents are not as well taken care of as they ought to be is that there is too much power given to the commissioner of patents. You should have your law so framed that if a patent is void, it is void; and if it is not void, then the commissioner should have no discretion.

Mr. RINFRET: I welcome my hon. friend's opinion, which I prize very highly. There is no intention in this bill to alter the principle of our patent law. We are merely bringing our legislation into conformity with the decisions of The Hague conference in respect of such minor matters as I have indicated. I shall be only too pleased to consider my hon. friend's representations and if possible make a more extensive study of the whole patent law with a view to its general revision.

Mr. CHAPLIN: I did not catch the full purport of the amendment; perhaps the minister will read it again.

Mr. RINFRET: The amendment is very plain. It was provided in the amending act of 1923 that the disposition would obtain for one year, and when the revision was made this was carried into the revised statutes—

"not less than one year after the thirteenth day of June, one thousand nine hundred and twenty-three". This is now quite obsolete. I am sure my hon. friend will have no objection to the amendment in this respect, and the other amendment consists merely in the changing of a word. Subsection 2 empowers the commissioner to consider the application, "and if a license in respect of said patent has previously been granted under section 40", then certain action is taken. This is what I should call a clerical error, because we do not grant licenses under section 40; we order the license to be granted by the patentee. The only change, therefore, is from the word "granted" to the word "ordered".

Mr. CHURCH: It seems that parliament is being asked to hand over the administration of the act to a commissioner who may or may not grant licenses for political purposes. The word "granted" is changed to "ordered". Subsection 2 provides for the revocation of the patent unless it is shown to the satisfaction of the commissioner that the patented article or process "is manufactured or carried on within Canada to an adequate extent". Do these words imply that the applicant for a patent may be at liberty to bring in foreign labour, skilled or unskilled, in violation of our Alien Labour Act, as is actually done now? In the city I come from a number of men were brought in from the south to work in the nursery business, notwithstanding that similar labour could have been obtained in Canada. In my opinion this bill should take account of the provisions of the alien labour law in this respect. Will it not be possible for the holders of patents, under this provision, to bring in skilled and unskilled labour from the United States under the terms of paragraph (b) from which I have quoted?

Mr. RINFRET: My hon. friend has repeated the argument he advanced on the previous section and I thought he would take it that I had not changed my view of the matter. We have discussed this question before and it has been pointed out that the proposed legislation is intended to carry out the terms of a mutual agreement on the part of the nations that met at The Hague. It is a plausible argument that this parliament does not sit at The Hague but in Ottawa. That is perfectly true. But is it not desirable that we should take advantage of the protection which will be afforded us by the participating countries? Surely it is not a bad thing now and then to cultivate the international spirit in matters of this kind which link the nations together. Really, to be perfectly frank, I must say that my hon. friend's objection does not appeal to me.

Mr. BOYS: I do not quite appreciate the object in changing the word "granted" to the word "ordered". I can understand that the license might be ordered, but there comes a time when it is actually issued. Surely, therefore, the intention must be to make it applicable not only to licenses which have been ordered but to licenses which have been issued.

Mr. RINFRET: The commissioner orders the license to be granted but the license is granted by the patentee himself. Of course, under section 40, if he fails to issue the license within a certain time limit we may revoke the patent. We thought that the provision would be better worded in the manner now proposed. We order that the patent be granted; that is the only thing we do as a department. The commissioner orders the patentee to grant the license.

Mr. BOYS: Is not the license eventually issued by the department?

Mr. RINFRET: It is granted by the patentee himself.

Mr. BOYS: But take the document itself, the license: where does it come from?

Mr. RINFRET: It is registered in the department, but we have no way of compelling the patentee to grant the license. We may, however, revoke his patent. The proposed amendment aims simply at making the provision clearer and bringing it more into harmony with the previous section.

Mr. BOYS: I do not think the minister grasps my point. What I want to indicate is that there comes a time when the license is issued, and so far as I know it is issued by the department. I may be wrong in that regard; if so—if it is issued by the patentee —then I agree with the minister.

Mr. RINFRET: Under the copyright law, where application is made for a license the department grants it; under the patent law, on the other hand, the department issues the order and the patentee grants the license. If our instructions have not been followed and the license is not granted, then we may proceed under section 40.

Section as amended agreed to.

Bill reported, read the third time and passed.

TRADE MARK AND DESIGN ACT

The house resumed, from February 10, consideration in committee of Bill No. 8, to amend the Trade Mark and Design Act.—Mr. Rinfret—Mr. Johnston in the chair.

Mr. RINFRET: I move that we revert to section 6.

On section 6—Filing of application already filed in another country.

Mr. RINFRET: I have an amendment which will change the wording of this section. The leader of the opposition pointed out the other day that in the first two lines of that section the words "as enacted by section 3 of chapter 28 of the statutes of 1923," had become obsolete, and my purpose is to move that the section be amended by striking out those words. I also move that the figures 49 at the beginning of the new section be changed to 52. There is nothing material in the change except to do away with the line which figured in the old act, but which has no meaning now that we have a revised statute.

Section as amended agreed to.

Amendments concurred in.

Bill reported.

SAINT JOHN AND QUEBEC RAILWAY

The house resumed, from February 10, consideration in committee of Bill No. 9, to authorize an extension of time for the completion of the St. John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.—Mr. Dunning—Mr. Johnston in the chair.

On section 1—extension of time.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The other day, when this bill was before the committee, the leader of the opposition called my attention to a point in connection with it, and the bill was left in committee in order that I might have the opportunity to take the matter up again with the Department of Justice. I have done so, and the Department of Justice regards the amendment in its present form as quite sufficient for the purpose, and I am also advised that the Premier of New Brunswick, who is really the promoter of the line in question, is perfectly satisfied with it as it now appears, and he requests it in this form.

Mr. CHURCH: I have been a member of the railway committee for six years, and I have never known a bill asking for an extension of time which has not been referred to that committee. I do not see why any exception should be made even in this case of a government bill. We have a committee appointed by this house to deal with questions of charters and extensions of time and so on, and I am going to move that this bill be referred to the select standing committee on railways, canals and telegraph lines.

Mr. DUNNING: Probably my hon. friend was not present the other day when this matter was referred to the committee of the whole instead of the committee on railways, canals and telegraph lines, as is usually the case. The reason for dealing with it in this manner is that this is not an ordinary railway charter; the railway in question is owned by the government of the province of New Brunswick, and the extension is asked for by that government. It was therefore thought quite proper to deal with it in this way, as no private interests are involved in any sense and it is not necessary to call witnesses and go through the usual procedure. I should also say that this railway is in operation already, and this extension refers to a branch which is not yet constructed.

Mr. CHURCH: Technically the minister may be correct, and this may only be one exception, but at the same time I see no reason why the house should be asked to deal with railway bills in this way. The predecessor of the present minister had all the branch line bills, government and private, sent to the railway committee for consideration, and even the estimates of the Canadian National Railways are sent to a committee of this house to be dealt with. All the branch line bills were sent to the railway committee, and that is the only regular way in which bills of this kind should be considered under the rules of the house. Some of these companies are only paper companies; they get a charter and then ask for repeated extensions of time. We had two or three bills before the railway committee during the last two or three sessions requesting an extension of time, and hardly a dollar had been spent on any of them. I contend that this process violates the whole principle of the Railway Act. For these reasons I think the minister should agree to have this bill dealt with in the regular way.

Section agreed to.

Bill reported, read the third time and passed.

ROYAL MILITARY COLLEGE OF CANADA

The house resumed from February 10, consideration in committee of Bill No. 13, respecting the Royal Military College of Canada—Mr. Ralston.—Mr. Johnston in the chair.

Hon. J. L. RALSTON (Minister of National Defence): When the bill was last under consideration section 7 was allowed to stand, and also section 9. In reference to section 7 the committee will remember we were discussing the provisions for the admission of cadets to the college. As I pointed out, the provision which was retained in the old act was obsolete because of the fact that now there is no preliminary examination; the examinations are based on standards of educational qualifications in the different provinces, and it was unworkable to select candidates from the whole of the Dominion in order of merit. I have, however, considered the suggestions which were made at that time to incorporate as far as possible the principle of merit, and, as I indicated to the committee, whether it is incorporated in the act by regulation or practice, it is the only standard under which the act will be administered. I now suggest to the committee that the following words be inserted at the beginning of section 7:

The selection of cadets from each province shall be in order of merit, and

This I think will be found satisfactory. The reason the words "from each province" are inserted is because it is felt we cannot put together all the candidates from the Dominion and simply select them in order of merit. That would not be fair to the individual provinces and would not give them their quota.

Mr. CHURCH: I should like to see a change made in the law with respect to this splendid institution under which the period for obtaining a diploma would be changed from four to three years where it was for over thirty-five years until recently. A complaint I hear made in respect to the Royal Military College is in regard to matriculation or entrance. In every province there is a separate examination for matriculation, and I think that the change made in the system followed at Kingston has not been in the best interests of that institution. We should go back to the old system and let the college run its own entrance.

I should like to quote from a letter written to me at my request by Mr. Iva E. Martin, M.A., who was director of studies at the college for many years, and is now one of my constituents. Mr. Martin was one of the most brilliant students in mathematics who ever graduated from Toronto university, and was a most efficient and successful member of the staff of the Royal Military College for over thirty years. The minister should see to it that in the matter of literary requirements the college should go forward and not backward. Merit alone should be the test of entrance with one examination for all.

May I be permitted to read two or three paragraphs of the letter in question? Professor Martin has the confidence of all classes of graduates. He did more to make the college than anyone else. He says:

This proposed act will put into a practical form the authority necessary to continue the institution as it is now being conducted. The old act has been out of date for years. Regulations issued from time to time by the governor in council is the real basis of its operations and this act merely authorizes this constitution.

I would suggest that paragraph 2 (1) of the proposed act be made to read something as follows:

2. (1) There shall be an institution for the purpose of imparting a preliminary education in military subjects such as tactics, fortification, engineering, etc., and a general introduction to such scientific subjects as may be connected with, and necessary to, the technical education of a military officer in the performance of his duties in the military profession. Also for qualifying officers for command and for staff appointments.

Paragraph 5 indicates the "qualifications" of the commandant which are difficult of realization in the practice, and I think that he should be "assisted" by a director of studies who should be selected from the civil members of his staff.

Professor Martin is right in all he says. There should be a director of studies under the commandant with increased duties and powers. I hope the minister will see his way clear to provide improved buildings, equipment and grounds and a recreation hall for the Royal Military College so that it may not lag behind McGill, Queens and other universities and colleges, and grant better pay to the staff and give them quarters at less rates.

Mr. RYCKMAN: Before the amendment carries I should like to say that the clause appears to me to be very indefinite. No one can say how "order of merit" is to be determined. Merit in what? In athletics, in scholarships, in Sunday school work?

Mr. RALSTON: Merit in the subjects required for the examination.

Mr. RYCKMAN: The clause does not say so. I submit, Mr. Chairman, that this matter is left entirely at large without any definition, it may be purely guess work. Anyone can come later on and say merit is one thing,

and somebody else will say it is another thing, and the point will be decided according to the decision of the commandant or the minister.

Amendment agreed to.

Section as amended agreed to.

Mr. RALSTON: Regarding clause 9 the suggestion was made that the old act provided a limitation of the amount to be paid by each student. I have incorporated that in an amended section which I will read to the committee:

9. Every cadet shall be required to furnish himself with such books, apparatus and equipment as are not supplied by the college, and to pay a sum not exceeding the rate of $300 per annum and such allowances as are from time to time authorized by the governor in council to meet the ordinary expenses of living and the procuring of uniform.

Mr. EDWARDS (Frontenac): Do I understand that the student will have to pay for his tuition and board the amount of $300 per annum?

Mr. RALSTON: I have sent down for a statement as to just what it does include. I can only assure my hon. friend that this is exactly the provision that is in the old act. The cadet will not have to pay any more under this bill than under the old act. I gave the figures when we were considering this bill before, to the effect that they only paid $300 per year, except the first year when they paid $550, $250 being allowance for uniform.

Mr. EDWARDS (Frontenac): What I am going to say may not be very popular, but that will not be an unusual experience with me in this house. Needless to say I have a great admiration for the Royal Military College, for the work it is doing and for the reputation which its graduates have made throughout the world. I am not sure that we are on the right track in limiting the cost to what it has been in the past, namely, $300. The cost of obtaining a degree in arts, medicine or science in any of our Canadian universities is far below the cost of the education provided to a cadet of the Royal Military College. In so far as we limit the cost to the student, we increase the cost to the country, provided that we increase the accommodation at the college for a greater number of students. It may be advisable to keep the expenditure down to about where it is or where it has been; but if we are to do that and at the same time increase the accommodation so that more students can attend—and I think that should be done—it seems to me that it is about time and very proper that we should consider whether or not the cost borne by the students might not be increased to a certain degree. I am not going to suggest what that cost should be; but the very fact that that sum of $300 has obtained for so many years, notwithstanding what we all know to be the fact that the cost of education in all other institutions has enormously increased in comparison with what it was a number of years ago, suggests that the matter of what the students should pay, without too large a burden being placed upon them, is one which might very fairly be considered from the standpoint of fair play to all concerned.

The Royal Military College is regarded, and rightly so, as giving a very efficient and select education to carefully selected men from all parts of Canada. The cost to the student is very low as compared with that of other institutions such as universities. I should like to see the number of students increased. That, of course, would mean an increase in the cost to the country unless some appreciable increase in cost was placed upon the student himself. I may not be on a popular line in expressing the thought that the student should pay more money; but having regard to all the circumstances and changed conditions, I submit it is a matter which is worthy of our careful consideration.

Mr. RALSTON: There are perhaps many of us who on general principles would feel inclined to concur in what my hon. friend has said; but in amending this act I have felt that I do not want to introduce any new principle. The point is that the accommodation has not been increased, and when the accommodation is increased I quite agree with him that it may be well for whoever is considering the matter to consider an increase of charge to the student as well. I should like the committee to remember that these students are selected in a different way from students going to an ordinary educational institution. In every other institution the doors are wide open to students. Before a student obtains the privilege, for it is a privilege, of receiving this education in the Royal Military College, he must show a certain qualification, a certain aptness, a certain physical fitness, a certain mental alertness, and, in short, he must measure up to a certain standard. Therefore it is felt that it is perhaps not advisable at this stage, when I am merely suggesting more or less formal amendments to the act for the purpose of bringing it up to date, that we should consider increasing the cost to the student. When the

accommodation becomes more luxurious and extensive, there may be an opportunity for considering that matter.

Mr. EDWARDS (Frontenac): I quite appreciate the viewpoint of the minister and I am prepared to concur in it. Has he under his hand sufficient material to enable him to inform the committee what percentage of the graduates of the Royal Military College follow a military career after leaving the college?

Mr. RALSTON: I do not have that just under my hand. Speaking from memory I would think those who actually enter the permanent forces are less than five per cent, but I would also point out that in the late war ninety-nine per cent of the living students who were physically fit took their part and behaved themselves creditably as students of the Royal Military College should do.

Mr. CHURCH: Might I ask the minister if the supplies are going to be purchased under the federal patronage system? With the increased fees and the uniform and equipment required, the Royal Military College is now looked upon as a rich man's college. Nowadays out of sixteen collegiate institutes in the Toronto district the college does not get more than one or two students a year, while in other years it got quite a number. There is no other institution in Canada where there is more party patronage as regards not only the staff, civil and military, and the help, but the purchase of the equipment, repairs to buildings, new buildings and supplies. They even built a road through the constituency of the hon. member for Frontenac-Addington (Mr. Edwards) under the patronage system, and he can tell how at great expense a little bit of macadam and concrete road was built some of it without tender, which could have been put in by any city engineer for one-third of the cost. The whole tendency seems to turn this institution from what it was intended by its founders into a rich man's college. The course has been lengthened to four years; the fees have been increased as well as the equipment and supplies. The whole thing is just a patronage institution for the benefit of the Liberal party in the city of Kingston and in the county of Frontenac. All the supplies are being bought down there. If the department would buy the text books in the same way as the larger boards of education in Canada do, they would save this institution and the cadets from one-quarter to one-third of the present cost. I should like the minister to consider the policy of buying these books and supplying them to the students, charging so much for them and thus effecting an economy.

Mr. RALSTON: If my hon. friend knows of any instances in connection with which any improper expenditures have been made, I trust he will bring the matter to my attention when the estimates of the Royal Military College are before the house. As regards patronage I want to say to him that I know of no institution under any government department that is conducted as free from party patronage as this institution is, and while I happen to hold the position I do, that condition of things will remain, because I do not propose to have this institution made anything other than what it is, namely, a place where deserving young men, men who will become creditable Canadians will be able to obtain an education at a moderate cost and thus be fitted to take their part in their country's affairs.

Mr. EDWARDS (Frontenac): I hope the day is far distant when, as was suggested on a former occasion in this house, the present Postmaster-General (Mr. Veniot) might succeed the Minister of National Defence.

Section agreed to.

Bill reported, read the third time and passed.

DISPOSAL OF CANTEEN FUNDS

Hon. J. L. RALSTON (Minister of National Defence) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to provide for the disposition and allotment of the canteen funds which were accumulated during the war by certain units of the Canadian expeditionary force in Canada, the Canadian Siberian forces and by the forces stationed at St. Lucia (British West Indies), resulting from the profits of canteens and other like institutions operated by the several units and formations, and for the administration of the same by the provincial board of trustees appointed under the Canteen Funds Act, chapter 34 of the statutes of 1925.

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

Mr. BENNETT: Perhaps the minister will make a statement.

Mr. RALSTON: There is deposited with the Receiver General of Canada the sum of about $124,000 which has been accumulated from the profits of canteens operated by units which have their local organizations in Canada, which did not themselves proceed overseas. These were units such as depot detachments, hospital units and things of that sort, and in

addition to that there were three units not so localized such as the Siberian expeditionary force, the St. Lucia forces, and the Y.M.C.A., all of which accumulated profits, and these had been paid to the receiver general.

Mr. GUTHRIE: About what do they amount to?

Mr. RALSTON: About $124,000.

Mr. GUTHRIE: That is what is left?

Mr. RALSTON: Yes. The way in which it is proposed to dispose of these funds—we are advised that it is necessary to enact legislation—is to divide it up into allotments according to provinces and hand the funds over to the canteen boards which were constituted under the act of 1925. The administration will naturally be somewhat different, and the proportions to the provinces will be somewhat different from the overseas canteen funds, but that is a matter which I think can be taken care of by the provincial boards when the moneys come to their hands. What we have done is this: we have taken the place of organization of a particular depot unit, and have allotted the funds, the profits of that unit, to the particular province where the organization took place. Generally speaking the enlistments were made from a province in which the unit was situated. In addition to that we have the Siberian forces, the St. Lucia forces, and the Y.M.C.A. force, and in this case the division proposed is according to the enlistments in each province. By a combination of the two a percentage has been made up which is given in the schedule to the bill based on this resolution, and it is proposed to hand the funds over in these proportions to the various provinces. I do not know whether the committee will be interested in having the percentages given or not. I will give the figures roughly, leaving out the second decimal. They are as follows:

	Per cent
Alberta	6.5
British Columbia	3.6
Manitoba	10.9
New Brunswick	5.5
Nova Scotia	4.4
Ontario	41.5
Prince Edward Island	.32
Quebec	23.5
Saskatchewan	3.1

Mr. ADSHEAD: Can the minister give it in dollars and cents?

Mr. RALSTON: I will give the principal in dollars and cents. The interest is lumped at the bottom. The figures are:

[Mr. Ralston.]

Ontario	$42,000
Quebec	23,900
Alberta	6,500
Saskatchewan	3,600
Manitoba	11,000
New Brunswick	5,500
Nova Scotia	4,500
Prince Edward Island	320
British Columbia	3,600

That comes to $101,000; then we have the interest in addition to that, $23,000, making $124,000 in all.

Mr. GUTHRIE: May I ask if this scheme which is now propounded has been approved by the Canadian Legion and the other soldier organizations?

Mr. RALSTON: I cannot say at the moment. The officers of my department were in consultation with some of these representatives, but I cannot answer offhand.

Mr. MANION: Are those funds being divided up on the same basis as the other funds of last year, and by the same organization? I think I understood the minister to say they were.

Mr. RALSTON: They are being divided by the same organization and on the same basis, except that my hon. friend must remember that those who were overseas would probably not expect to share in those funds, because those who originally enlisted in the depot units and went overseas are supposed to have gotten the benefits of the profits from the depot canteens when they sailed. Conducting officers were given a certain amount for comforts, which was supposed to represent in theory at least a fair proportion of the unexpended profits up to that time. So that those who will share in this fund will be largely those who have not gone overseas, and who have not derived any benefit from any other source.

Mr. MANION: I must confess that I have very little information on the matter, except what the minister has given me. When the bill comes before the house I presume we will be given an opportunity to obtain more information. I suppose the minister will have no objection to any reasonable modification, provided it is along the line of fair dealing with everybody. I am not proposing that there shall be any modification, but some information may come to us between now and the time when the bill comes before the house, and I presume the minister is not tying us to the details of the bill as presented.

Mr. RALSTON: No. I shall be glad to have any suggestions because we all recognize that we are to some extent dealing with

a fund which, in the strict legal interpretation at least, may belong to individuals, but which in a lump sum will permit something tangible being done with it. Therefore any helpful suggestions I shall be very glad to have.

Mr. ADSHEAD: Were not these funds accumulated from the money of men who were overseas?

Mr. RALSTON: These funds particularly were not, I think, accumulated from men who were overseas. As I tried to point out, those who went overseas, in theory at least, and, I think they will agree, generally in practice too, received the benefit of the profits of the depot canteens from which they made their purchases. Then those who were overseas began to get the benefit of canteen funds from overseas canteens, but those who remained in Canada still kept contributing to those depot canteen funds, and it is they and their dependants who, I think, would benefit largely by any disposition of these funds. The bill to follow this resolution does provide that any use of the provincial allotment for relief purposes should be limited to the class of case for which no relief is then available from governmental sources or from the allotment made under the Canteen Funds Act. In other words, it proposes to provide for the class of men who contributed most generally towards the funds still left.

Mr. CLARK: Mr. Chairman, I think the minister ought to be able to assure the committee generally that those men who did go overseas and did contribute to these funds actually received the proportion to which they were entitled. I have grave doubts that that is the fact. I do not think it was the custom to pay them the exact proportion of the funds to which they would have been entitled had a division been made at the time. True, they may have been given something from the funds when they went overseas, but I do not think it is generally accepted that they received the proportion to which they would have been actually entitled if the funds had been divided at the time. Therefore I do not think the men who went overseas should entirely be disentitled to something from these funds.

Mr. RALSTON: I endeavoured to make it clear to the committee that I thought in theory at least—that is the word I used—these men were supposed to have received the benefit of the funds that had accumulated; but there was no accounting, and there may have been more contributed than was paid out. We have to deal with the practical situation here and the question is whether it is worth while attempting to divide the small amount of money among all the men who contributed, or to confine it to those who were members of the depot units. As I said to my hon. friend from Fort William (Mr. Manion) a few moments ago, I shall be very glad to receive suggestions from the committee when the bill is under consideration. The principal thought in mind is not to dissipate the money so that it will not do any good.

Mr. CLARK: What information has the government secured from those directly interested in the funds? After all, their representations should have some bearing on the disposition of the money.

Mr. RALSTON: I cannot give my hon. friend an answer in regard to this particular resolution, I can only speak of the representations which were made to the commission which considered canteen funds generally two or three years ago. At that time it was represented that these funds should not be divided among individuals, but should be used for the relief and general benefit of those most in need. That is the principle which I think our ex-service men would like to see carried out, and it is the principle under which the provincial boards are administering the funds received from overseas canteens.

Mr. CLARK: Why were they not included at the time?

Mr. RALSTON: This particular fund was not the immediate subject of the investigation to which I refer, although that investigation had to do with similar funds accumulated overseas.

Mr. GEARY: Has the minister any information as to the amount received from each of the sources outlined, for instance, the Siberian forces, the forces stationed at St. Lucia, and so on?

Mr. RALSTON: I could give my hon. friend the proportions going to the different provinces from these funds. I do not seem to have under my hand the total received from the Siberian forces. For Ontario, for instance, the fund of $42,000 is made up of funds from about sixty different units. The only two amounts that I notice from the Siberian expeditionary forces in Ontario are $139 and $71. The 85th battery of the Siberian force contributed $652. I cannot give my hon. friend the total for the Siberian forces. It is simply a matter of arithmetic

to add together the various items relating to the Siberian expeditionary force under each provincial list.

Mr. GEARY: Those two items were probably moneys realized in Canada.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 39 respecting the disposal of certain canteen funds.

Motion agreed to and bill read the first time.

ADMIRALTY ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the order for the second reading of bill No. 30 to amend the Admiralty Act be discharged.

Motion agreed to.

SUPREME COURT ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 31 to amend the Supreme Court Act.

Mr. EDWARDS (Frontenac): What is the nature of this bill?

Mr. LAPOINTE: Perhaps my hon. friend will let the bill go into committee, when each section can be explained.

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

On section 1—Dates of sessions of supreme court changed.

Mr. LAPOINTE: Under the law as it stands the spring sittings of the court begin on the first Tuesday in May, but it is represented that it is more convenient for the court to have the sittings begin on the fourth Tuesday in April. The judges desire to work a little longer and I do not think there can be any objection to that.

Section agreed to.

On section 2—Notice of adjournment of court.

Mr. LAPOINTE: This is to amend the section which provides that the court may adjourn any session from time to time and meet again, at the time appointed, for the transaction of business. The subsection which it is proposed to repeal provides that notice of adjournment and the day fixed shall be given by the registrar in the Canada Gazette. It is stated that the provision is unnecessary and, as a matter of fact, has not been observed in practice. As a rule these adjournments are for very short intervals and sometimes it would be impossible to advertise them in the Canada Gazette unless an extra issue were published. The fact is that only the lawyers concerned in the case, the hearing of which is adjourned, are really interested and they know when the court will meet again. It is therefore considered unnecessary to have publication of notice in the Canada Gazette.

Section agreed to.

On section 3—Appeal to be on a stated case.

Mr. LAPOINTE: This amendment adds the following proviso:

Provided that the court may, in its discretion, on special grounds, and by special leave, receive further evidence upon any question of fact, such evidence to be taken in the manner authorized by this act, either by oral examination in court, by affidavit, or by deposition, as the court may direct.

As explained in the note on the opposite page, it has happened quite recently, in the case of Red Mountain Railway Company versus Blue, that the filing of plans before the court here could not be accomplished for the reason that the court had no authority to receive such new evidence, and when the case went to the Privy Council the filing of the plans was allowed. The new provision is intended to give the Supreme Court of Canada the same power which is exercised by the Privy Council and by the appeal court in England.

Mr. GUTHRIE: And Ontario.

Mr. LAPOINTE: And, my hon. friend adds, the appeal court of Ontario.

Section agreed to.

Bill reported, read the third time and passed.

PUBLIC PRINTING AND STATIONERY

AMENDMENT OF ACT RESPECTING ADVANCES TO THE KING'S PRINTER

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 33, to amend the public printing and stationery act.

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

On section 1—How expenses shall be met.

Mr. BENNETT: I expressed the opinion the other day that this bill was an endeavour

to place a limitation on the working capital of the department in the sum of $700,000, but I pointed out that the last words of the measure were intended to place unlimited discretion in the power of the governor in council and for that reason were most objectionable. It will be observed that the working capital of the department may by this section be increased up to a sum not to exceed $700,000. If the bill stopped there it would be easily understood. But these words follow:

Or such sum as may hereafter be determined, from time to time, by the governor in council.

It is perfectly obvious that you cannot in one sentence place a limitation of the amount and then, in another sentence, use language that places no limitation on the sum that may be granted by the governor in council. Here we have a parliamentary restriction to $700,000 and at the same time a parliamentary grant to the governor in council of power to increase that sum to any extent in the world. That, I submit, should not be done and cannot possibly be in the mind of the minister. You cannot restrict with one hand and with the other confer unlimited power.

Mr. RINFRET: There is much force in my hon. friend's argument and I am quite willing to meet his views in that respect. The idea behind the legislation was to rectify a situation which has existed for some time. While the statute provided for an advance to the printing bureau of $200,000 at a time, it happened that the advances were liable to be protracted according to special circumstances. The object was to increase the limit to $700,000 and also to provide for a possible emergency, if that amount should prove insufficient, as for instance in the event of a long recess where no estimates were voted. I quite agree with my hon. friend that there is a contradiction in fixing a limitation and at the same time providing that there be none. I move, therefore, that the section as it stands be amended by striking out the words "or such sum as may hereafter be determined, from time to time, by the governor in council." I may add, however, that it is just possible that this will afford the minister occasion to come back in future sessions with similar bills.

Mr. BENNETT: The minister appreciated the point the other day and I assure him that I appreciate his position. But may I suggest to him, as being in charge of the Printing and Stationery department, that when he mentioned the other day the fact that he had inventories amounting to half a million dollars he might have reflected that it is sound business in these days to keep inventories as low as possible. I was amazed to find that his inventories totalled that sum, while he was asking for a working capital of $700,000. If he has read the book recently published by Mr. Ford he will see that when that gentleman was confronted with a difficult situation he saw the wisdom of reducing inventories. And with the paper business, of all businesses in the world, it is highly desirable to keep inventories as low as possible, or a loss will be suffered.

Mr. ADSHEAD: When this matter was before the committee previously I gathered that the printing department was self-sustaining, and that when they performed their work of publishing certain documents, say for the Department of the Interior, that work was charged to the Department of the Interior and the printing department got credit for it, and the same all along the line. Perhaps I should bring this up on the estimates, but at present I see no provision made in any of the departments for repaying the printing department for work done.

Mr. RINFRET: I think I can satisfy my hon. friend right away. This is only one clause in a somewhat extensive act, and if my hon. friend will refer to the whole act he will find that provision is made for everything he asks.

Mr. ADSHEAD: Then why the necessity of increasing the capital account if the work is credited to the printing department immediately it is completed?

Mr. RINFRET: That is to cover the interval between the time of the completion of the work and the time the work is paid for by the different departments.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Johnston in the chair.

Agriculture—dairying, including grant of $5,000 to the National Dairy Council, $265,000.

Hon. W. R. MOTHERWELL (Minister of Agriculture): The committee will notice that there is not very much change in the size of this vote; the $14,000 increase is largely accounted for by salary increases which came into effect last year. There are three or four main items into which this sum is divided; part of it is taken up with research

work, part with the grading of butter throughout the country and a part is spent on educational work. I will give the details as soon as I get the figures, which will be here in a moment.

Mr. LUCAS: The minister mentioned the grading of butter. I would like to ask if there is now a standard system of grading butter in the Dominion?

Mr. MOTHERWELL: The grading is uniform now. The western provinces formerly did their own grading and we accepted their grades, but that was found to be not very satisfactory. They wanted to include more in their grading than was the case in the east, so an arrangement was made about a year ago whereby we would take over the grading for all the western provinces, and that is what was done.

Mr. LUCAS: Does that grading only apply to butter for export, or to butter for domestic use as well?

Mr. MOTHERWELL: It is only for export, although the same grades are used for domestic butter. For home consumption the grading is only voluntary, while for export it is compulsory. The export business, of course, has now come to be very small.

Mr. EDWARDS (Frontenac): As the minister very properly says, the exports of butter have come to be very small, and there are very good reasons why that condition has come about, some of which I desire to place before the minister for his most careful and prayerful consideration. For two or three moments I would like to refer to the effect of the foolish legislation put through in 1925 upon the dairying interests in Canada when this government entered into an agreement with Australia and New Zealand. That trade agreement came into force with regard to Australia on October 1, 1925, and was extended by order in council to New Zealand. At the time that agreement was made the rates of duty on butter under the tariff of 1907 were 4 cents general and intermediate, and 3 cents British preferential. Under the Paterson plan operating in Australia three cents a pound on every pound of butter manufactured in the commonwealth was put into a pool, and out of that pool six cents a pound was paid on each pound of butter exported. This, it is quite obvious, has given a very decided advantage to the producers of butter in Australia, apart altogether from the climatic advantages that they enjoy, over the producers of butter in Canada. New Zealand and Australian butter can be shipped from those countries to Vancouver for slightly less than 3 cents a pound; I think I am correct in that statement. Now let us see how that works out. Suppose every pound of butter shipped from Australia has cost the producer the extra 3 cents a pound that goes into the pool. Well, he receives a bonus of 6 cents, so that he has sufficient left over, after paying the 3 cents into the pool, to carry his butter to Vancouver without costing him a cent—at least he comes into competition with the producer in Vancouver under as little handicap as if Australia were only a short distance away. There is another advantage given to him. Australian and New Zealand butter arrive at Vancouver and can be shipped from there to Montreal for $2.30 per hundred pounds. Add to that a cent a pound for the duty now imposed and you get $3.30 per hundred pounds. But suppose the producer in British Columbia wants to send a carload of butter to Montreal. In that case the freight rate on his butter from Vancouver to Montreal will be $3.58½ per hundred pounds. In other words he is at a disadvantage, as compared with the Australian and New Zealand producer, of 28½ cents per hundred pounds in competing in the market in Montreal. New Zealand butter imported into Vancouver in November, December and January last was laid down there at 34 cents a pound all charges paid. That meant that butter produced in Saskatchewan and shipped from Regina or Saskatoon to Vancouver had to be sold in carload lots at 31½ cents, for the reason that it cost 2½ cents a pound to send that butter from the points named to Vancouver. The price therefore, as I say, was fixed by the importations in the province of Saskatchewan.

Another point to which I wish to draw attention is this: There is a spread between the winter and summer price of milk right here in Ontario and Quebec. In this city it amounts to 40 cents, and in Montreal to 90 cents per hundred pounds. In Montreal the summer price is, I think, $2 per hundred pounds, and the winter price $2.90. Surely it must be obvious to every person who notes that difference in the cost of producing milk in summer as compared with the cost of production in winter, how very unfair it is that the producers in Canada, with a climate such as we have, should be forced to compete with those who have no winter and enjoy summer weather the year round.

Let us see for a moment the effect of this on the western provinces. Take first the province of Saskatchewan. In 1900 that province produced only 339 pounds of butter. There was then no such thing as a dairy industry in Saskatchewan. In 1910 it produced 1,548,000

pounds; in 1925, 15,946,000 pounds; in 1926, 16,629,000 pounds. Well, you may say, notwithstanding the conclusion of the agreement with Australia in October, 1925, the production in Saskatchewan in 1926 was greater than in the previous year. That is very true, but the effect from the importations, which was bound to occur later, had not then been felt. In other words you would not expect every farmer in Saskatchewan to knock every one of his cows on the head immediately after the agreement came into effect, but as soon as the Saskatchewan producers began to feel the effect of this trade arrangement they began to go out of the dairy business. For instance, compare the production in Saskatchewan for the first ten months of 1926 of 15,730,000 pounds with the production in the same ten months of 1927 of 11,502,000 pounds, a reduction of over 4,000,000 pounds, or a decrease of 26.8 per cent. In the month of October, 1925 the production in Saskatchewan amounted to 1,302,432 pounds, whereas in the same month of 1927 it dropped to 633,062 pounds, a decrease of 48.6 per cent. At the present time Saskatchewan is making about 50,000 pounds of butter a week and consuming about 200,000 pounds in the same period. Why should not those extra 150,000 pounds be made by the farmers of Saskatchewan instead of buying it from the farmers of Australia and New Zealand? On undoubted information twenty butter factories which had been in operation in Saskatchewan for years went out of business in the month of November last year, and went out of business for good.

The same story is told with regard to the effect of this trade arrangement on the butter industry in Alberta. The decrease in production in each of the provinces of Saskatchewan and Alberta in 1927 over 1926 is estimated by those who are well qualified to make a computation as being between four and five million pounds. In the four western provinces they have been building up a magnificent dairy industry. In 1910 the production in those provinces was less than 7,000,000 pounds of butter. That production grew in 1920 to 28,000,000 pounds. In 1925 it reached a total of 1,000,000 pounds a week, or 52,000,000 pounds a year. In 1926 it reached a total of 55,000,000 a year, and we are informed by members of the National Dairy Council of Canada, who are well qualified to make an estimate in regard to this matter, that the production in those provinces for the year ending March 31st next will be over 10,000,000 less than it was in the preceding year.

I should like to represent the situation to the minister in another way. We have been saying a great deal about inducing people to come to this country to fill up our vacant lands and engage in farming. If you hope to succeed in inducing people to go on Canadian farms you must give them encouragement by holding out to them the prospect of profitable employment or reasonable profits. Take the average butter production of the average Canadian cow. I believe it is about 150 pounds a year, but we will put it at 200 pounds if you like. The production of some ten million pounds of butter which we import from New Zealand and Australia in one year would keep fifty thousand cows busy the year round in the Dominion of Canada. If you allow ten cows to a farm, that would establish or play a very important part in establishing a firm basis of mixed farming on some five thousand farms in this Dominion. What are we doing by this arrangement with Australia and New Zealand? By this foolish policy of the government we are establishing on a paying basis mixed farms, not in British Columbia, Saskatchewan, Alberta and other provinces, but in Australia and New Zealand. We are importing from Australia and New Zealand millions of pounds of butter which should and can be produced in this country, and we are exporting every year, to go into the pockets of the farmers of Australia and New Zealand, millions of dollars which should be in the pockets of our own farmers.

Our exports and imports are very suggestive. In 1925, for instance, we exported 24,500,000 pounds of butter and we imported 193,000 pounds, so that we had a surplus of exports of more than 24,000,000 pounds. Our product was going out to other countries of the world and their money coming into Canada to enrich our farmers. In the fiscal year 1926 our exports amounted to 23,303,900 pounds, and our imports to 7,029,000 pounds. In 1927 our exports dropped from 23,303,900 pounds to 9,878,400 pounds, and our imports amounted to 7,190,267 pounds.. For the year 1928 it looks very much as if we would have 10,000,000 pounds of imports in excess of our exports and, in fact, it looks as if our exports would be practically nothing at all. Therefore, as regards the dairy industry, after two and a half years' experience with this foolish trade arrangement with Australia and New Zealand, we have a net result of our exportable surplus of 24,000,000 pounds being wiped out entirely and being replaced with an importation of more than 10,000,000 pounds of butter.

May I point to another fact? The United States imposes a duty of twelve cents a pound

on Canadian buttter. Surely every hon. member representing a dairy constituency and looking for future markets, would like to see the United States reduce that tariff against our butter, but do you think there is any likelihood of the United States doing so, as long as Canada permits Australia and New Zealand to send millions of pounds of their butter into this country at a rate of duty of one cent a pound? Will the United States lower their tariff and thus make Canada a halfway house for huge importations of butter from New Zealand and Australia? I do not think so, because the United States have followed a policy of protecting their farmers by giving them an advantage in their home markets over outside competitors. That is the sensible and rational thing for us to do in this Dominion of Canada.

Another little point which is worth referring to in connection with this matter is this. We all know by the advertisements and posters which we see put up all over Canada that, in the harvest season in the west, men are invited to come from other parts of the country to assist the western farmers in taking off their harvest. One of the advantages in going into mixed farming would be to encourage the farmer in Manitoba, Saskatchewan or Alberta to hire at least one man by the year, to give one man employment the year round, to give him something to do in the winter time as well as in the summer. But under this arrangement with Australia and New Zealand, with the dairy industry going out of business, with farmers getting rid of their cows, they have nothing for a man to do in the winter time, the result being that hundreds of men, who were formerly employed in assisting farmers to take care of their stock during the winter, find themselves during the winter months out of employment. That is inevitable.

The Minister of Finance (Mr. Robb), in advocating this arrangement, advised us to sell our butter to the old country; he told us to ship our surplus butter, if we had any, to London, and to import butter from Australia and New Zealand. In the first place, if we ship our butter to the old country, it will cost us about five cents per pound to get it from the prairie provinces to England. In the second place, when we get it there we are forced to compete with all the other butter-producing countries of the world that have a surplus. In the third place, if we ship a pound of butter from, say Saskatoon or Regina to London, England, at a cost of five cents a pound, and bring a pound of butter from New Zealand or Australia to Saskatoon or Regina, that will cost another five cents per pound, so that by the plan advocated by the Minister of Finance there is a direct loss of ten cents per pound. That strikes me as foolish and illogical in the extreme.

I looked in the returns to see to what extent Australia and New Zealand were providing our farmers with a market and I found that in 1926 our exports of butter to Australia were nil and our exports to New Zealand amounted to ten dollars' worth. I imagine some people in New Zealand were wondering what sort of people we had in Canada who could make such a foolish bargain, and why it was we did not produce our own butter. Evidently they decided to order a pound or so of our butter, in order to find out what kind of butter we produced in Canada, and I am sure they found that butter made in any province in Canada was equal to the best made in any part of the world. We thus got ten dollars of their money. In 1926, we exported to the United States only 17,774 pounds of butter. Why? Because it costs twelve cents per pound to import butter into that country. That is a very good reason. The United States say to us in Canada: We have farmers here who can produce butter, and while it is true you make good butter in Canada, we do not want your butter. We do not intend to allow you to send your butter into this country to be consumed by our people. We intend to give our own farmers an opportunity of supplying our people with butter.

Mr. BROWN: Has the hon. member the figures in regard to the increase or otherwise in the export of milk or cream or cheese?

Mr. EDWARDS (Frontenac): I am dealing with butter.

Mr. BROWN: But it is very important to get them all together.

Mr. EDWARDS (Frontenac): I quite agree it is very important. These are the figures of our imports of butter from Australia and New Zealand in 1925 and 1926:

	Imports from Australia	Imports from New Zealand
1925.. ..	nil	162,848 pounds
1926.. ..	2,485,000 pounds	2,342,966 pounds

There is at the present time a demand in the United States, in New York state particularly, for milk and cream from the province of Ontario. I suppose my hon. friend is aware of the fact that in the state of New York—and I presume in other states across the line, but I know it is the case in the state of New York—they have been year after

year, putting into effect this tuberculin test with their cattle. They are determined to have all their cattle in that state accredited herds, with the result that they have wiped out thousands of cattle in the state of New York, and to a certain extent wiped out their local production, and that I submit furnishes a good reason why there is a demand in New York state to-day, not only for Ontario and Quebec milk and cream, but also for cattle and milch cows from these provinces. That accounts for it to a very large extent.

But I should like the minister, or some member on the other side of the house, particularly someone from Alberta or Saskatchewan, to give this committee some good, tangible and commonsense reason why we should put our dairymen in the western provinces in the position they are in. I have given some figures for the west, but the statement also applies to the east and affects the dairymen of Ontario, Quebec and the maritimes. It affects the price which the farmers of Ontario and Quebec get for their cheese. They are beginning to feel the effect of this Australian and New Zealand arrangement in the price of cheese. That was reflected in the prices paid last season for Ontario and Quebec cheese. It has a wide effect, but will some person tell me, will my hon. friend from Lisgar inform me, why we should allow New Zealand to send millions of pounds of butter into Canada at one cent a pound and Canada get absolutely nothing in return for that? In so far as the arrangement with Australia is concerned, it might be said that we offset what we lose in the dairying industry by the advantages, if there be any, to the pulp and paper manufacturers and to the automobile concerns. But you cannot say that in regard to New Zealand, and we are getting more butter from New Zealand than from Australia. Why then should this arrangement with Australia, which was bad enough in all reason, be extended, as it was, to New Zealand, giving them the advantage of our market and getting nothing whatever in return? Of course under the arrangement we have the privilege of paying more for raisins in Canada. That was intended for the special benefit of the people of Australia and was one of those things which was liberally coated with oil, in order that it could be more easily swallowed by hon. members from the west, and even the free traders from the west took that down without even making a face, swallowed it as nicely and easily as anything you could imagine. It is a fact that the farmers of Australia and New Zealand have a very decided advantage in the climate which they enjoy as compared with the climate of Canada. It is a fact that you can produce milk from which butter is made on grass cheaper than you can in winter time, when the stock has to be housed and supplied with expensive feed. What about those people in Australia and New Zealand whose cattle range out the year round? They have a decided advantage, and I should like hon. members in this house to consider this well. You may theorize as much as you like about what John Bright and Cobden and some of those fellows said many years ago. You may theorize as much as you like about free trade and protection, but I say that any government in this country should take into consideration the climatic conditions in Canada in arranging the tariff. The government is not fair to the farmers who have to spend thousands of dollars in putting up expensive barns and stables in which to house their stock, who have to spend thousands of dollars in cutting and storing feed for the stock in winter—stock which during the winter months are, as the farmers very often say, eating their heads off: that is to say they are not producing for him a profit. The farmer is waiting until the next summer to make a profit out of his cattle. Surely it is unfair, unreasonable and unjust in the extreme, to tell a farmer in Ontario or in Quebec or in the western provinces, or in any province, with climatic conditions such as we have in Canada, that he must compete on even terms with the farmers of Australia and New Zealand, who have a decided advantage over the farmers in this country in the matter of climate. This arrangement has been tried out for two and a half years; it has proved an absolute failure, and we have men from all over Canada, not one or two, but men representing all the dairy organizations in the Dominion, in every province, appealing to this government to put an end to this trade arrangement and give the farmers of Canada a fair deal in the matter of finding a market at home for the things that they produce.

Mr. ADSHEAD: I listened with interest to the hon. member for Frontenac. I expected the Minister of Agriculture would rise in his seat and offer some defence. I think I said last year, and I repeat it again this year, that you cannot run with the hare and hunt with the hounds. That is, if you believe in low tariff or even free trade, you cannot say "I want free trade in those things which I buy and protection in the things which I sell." This very proposition the hon. member for Frontenac has presented to-day was put up to me in my last election. The people of the

city of Calgary, when I spoke about free trade in butter and the question of the Australian treaty, told me I would not say the same thing in the rural district, where dairying was being carried on, as I did in the city. I wish to give the hon. member for Frontenac some figures in connection with this matter which I received a few days ago. I had twenty-eight cows myself when I was on a homestead in Alberta, and I told the farmers in the dairying district—and I could name the district—"If you cannot meet the competition of your fellow citizens in the British Empire 8,000 miles away, who have to ship their butter that distance, and send it over the equator, you had better learn to do it or go out of business." In the districts where I made that statement I got the largest vote. I said to them, "How can you, with consistency, ask for a protection on your butter and then send me down to parliament to plead for a reduction of the duty on agricultural implements? It cannot be done." I cannot sit still and say that I am going to support a tariff on butter and ask for a reduction of the duty on agricultural implements.

Mr. hon. friend quoted some figures for 1925. I was interested in this question of butter, and when I came here I wrote to the department and asked for facts as regards the imports and exports of butter for 1927. When I heard the hon. member for Frontenac dealing with the question of butter I ran upstairs and got a statement I received the other day which shows that in 1927 we exported butter to the amount of $3,351,581, and that we imported $2,500,000 worth, or nearly a million dollars' worth more butter was exported than imported by us. Those facts surely show that the Canadian butter trade is not suffering very much.

Mr. EDWARDS (Frontenac): What year was that?

Mr. ADSHEAD: The fiscal year ending December 31, 1927. My hon. friend took 1925. I presume that 1927 is much more satisfactory to our farmers and to the house at large. We imported two million dollars' worth of butter, and we exported nine million pounds, or over a million dollars' worth more than we imported. Why did we do it? Simply because our butter is good and commands better prices abroad than at home. Why should we put an import duty on butter? Why should we ask our fellow-citizens in the towns and cities to pay more for our butter than the price it commands in the open market? We produce our wheat and sell it in the open market against the competition of the world, and we also meet the open market for our butter.

Mr. EDWARDS (Frontenac): Does my hon. friend not think that when Canada had a surplus of from twenty to twenty-four million pounds of butter, that surplus was a sufficient guarantee to the Canadian people that they would not have to pay more than they should for Canadian butter at home?

Mr. ADSHEAD: It is a sufficient guarantee that if they could get more for it in the export market they would send it there. And that is what they did. I do not think, Mr. Chairman, that I need go any further into the matter. Our exports of butter show that even with the Australian treaty in effect Canadian butter is able to meet competition in the markets of the world, and asks for no quarter there. Therefore we do not propose to run with the hare and hunt with the hounds.

Item agreed to.

Cold storage warehouses, $30,000.

Mr. TOLMIE: Have there been any changes in the distribution of these branches since last year?

Mr. MOTHERWELL: No, this is to complete old contracts that were entered into prior to last year.

Mr. TOLMIE: Are any new ones anticipated for this year?

Mr. MOTHERWELL: Yes, we have just entered into a contract with a cold storage organization in New Westminster. If it makes sufficient progress we may require a further amount in the supplementary estimates to take care of it.

Mr. TOLMIE: That is to cover agricultural products and fish, or just fish alone?

Mr. MOTHERWELL: Everything that is perishable.

Item agreed to.

Fruit, including grant of $8,000 to the Canadian Horticultural Council, $290,000.

Mr. MOTHERWELL: The principal increase here, Mr. Chairman, is due to an extension of our grading system for export. It will be recalled that last session legislation was passed authorizing the department to introduce a system of compulsory inspection of apples and other fruit intended for export. This involves a considerable outlay. Five dollars is charged by the department for each car inspected, and this money goes back into the treasury.

Mr. TOLMIE: Does this new inspection give our fruit access to the Australian market?

Mr. MOTHERWELL: No, it would not affect that market.

Mr. TOLMIE: Do they accept our fruit there?

Mr. MOTHERWELL: There is some fruit going there, but it is not subject to inspection. The objection that our Australian friends have against our fruit is the possibility that fire blight may be brought into the country. We do not think the disease is transmissible through our fruit.

Mr. TOLMIE: Is that the only country which refuses Canadian fruit under those conditions?

Mr. MOTHERWELL: No, Japan is another. Some countries are more afraid of the transmission of fire blight than are others.

Mr. TOLMIE: When we were on a similar item about four years ago the minister was kind enough to promise to give me the reason for the spread between the prices paid to the growers of Delicious apples in the Okanagan valley, and the prices charged by the vendors in the city of Ottawa. They now sell first class Delicious apples at 2 for 15 cents, while the grower in the Okanagan valley, I understand, receives about $1.60 or $1.70 per box of about 140. The inquisitiveness that I had four years ago still persists, and if the hon. minister and his very able assistant can give that information to the people of Canada, I am sure it will interest both the consumer here and the grower in the Okanagan valley.

Mr. MOTHERWELL: I think the spread is due to high freight and express rates and the high cost of handling. It might have been attributable four years ago to the activities of the combine that was then in operation. This has since been dissolved, so after all perhaps the spread was not so much attributable to that cause as we thought at the time. I remember the interrogation of my hon. friend, but it was made so long ago that I forgot to anticipate it on this occasion. Possibly we can get the information.

Mr. TOLMIE: I did not expect the minister could give it to me offhand, but it would be most interesting to know how that spread occurs.

Mr. MOTHERWELL: Yes.

Mr. McGIBBON: Has the government or the minister's department in the past made any attempt to minimize this spread?

Mr. MOTHERWELL: The fruit branch thought they were working along proper lines when they assisted the commissioner to gather information in respect to the Nash combine. We worked on that for nearly two years. Anyhow the growers are always afraid of combines, whether they be wheat combines or tobacco combines or any other kind. We felt it was our duty to assist them in ferreting out the information in connection with this matter and we called the growers together in conference here about two and a half years ago to take counsel with one another. They came from the Atlantic and the Pacific and we paid their expenses, incurring a cost of some $1,600. We gave them an opportunity to organize their forces in the direction of a national campaign of salesmanship with a view to reducing the costs to which my hon. friend has referred. The main thing in selling satisfactorily is to have a product of good quality, and I will say this for British Columbia: that there are no other people in the Dominion I know of, so far as this or any other commodity is concerned, who have deliberately exceeded the standard required by law. The growers of British Columbia actually put up a pack a standard above that which the law demands and for that reason they can generally find their way into any market in the world.

Mr. McGIBBON: The minister has not answered my question.

Mr. MOTHERWELL: What does the hon. gentleman want?

Mr. McGIBBON: I have asked the question a good many times before, I have asked it again to-day, and I will continue to ask it. I want to know what the minister or his department has done in order to put into the pockets of the producers a larger share of the proceeds to which they are entitled considering the vast sum paid by the consumers.

Mr. MOTHERWELL: I understood the hon. gentleman to ask, first, what we had done to reduce the enormous spread, and I tried to answer that question. He also inquired as to what we had done to encourage a more acceptable system of marketing. My hon. friend has missed the point, because I dealt with shipping-point inspection especially in the case of exports. Through such inspection and the granting of the government certificate accompanying each consignment we have done something to help the industry, and the British Columbia and Ontario apple growers assure me that, having experienced the beneficial results of this

system, they would not now think of shipping their product without a certificate of quality.

Mr. McGIBBON: That is not the question.

Mr. MOTHERWELL: The hon. gentleman does not want to hear that. However, that is the way to bring about satisfactory results and I am anxious to impress it upon him. If there is anything else of a specific character which the hon. gentleman desires to know I shall be glad to answer him. I would ask, however, that he put specific questions and not generalities as to what we have done for this, that and the other. We have met the situation and improved the standing of British Columbia apples on the British market, and this result we have achieved by making grading compulsory for everyone. Ninety per cent of the growers grade their apples voluntarily in any case, and this legislation is to compel the other ten per cent, who have been spoiling the market, to follow suit. What further can I do for my hon. friend?

Mr. McGIBBON: The minister says that the government has enhanced the market value of the product, but the proceeds that go into the grower's pocket have not been increased. I want to know what his government can do or has done or contemplates doing in order that the producer may get that larger share to which he is entitled in view of the enormous cost to the consumer.

Mr. MOTHERWELL: All matters directly pertaining to production are usually conceded to fall within the scope of the provincial government. One cannot draw a very distinct line of demarcation between federal and provincial responsibility, but we have endeavoured to draw at least a rough line between the two, and all matters relating to improved production and reduced production costs are recognized to devolve upon the provincial government, while matters of grading and marketing as well as of standardization are regarded as coming under the jurisdiction of the federal government. Now I have already told my hon. friend what we have done in respect of the duties which I have classified as falling to us. We do not control freight rates. As I say, we have shipping-point inspection but we have nothing to do with freight rates, although we have made representations in this regard. Indeed, I made such representations when I was in the provincial government, but we have no particular record of any results achieved. The question has been raised on more than one occasion regarding express and freight rates on apples, but I cannot offhand indicate what has been the outcome of any representations that have been made in the matter. The rates are still very high, however.

Mr. McGIBBON: Probably I am stupid, but I want to get an answer to a definite question, and apparently I cannot convey my idea to the minister, or else he is stealthily evading the point. In the years he has been Minister of Agriculture, what has he done to find out, first, what the spread consists of and, secondly, whether that spread cannot be minimized so that the producer may receive more for his goods? Surely that is a simple question.

Mr. MOTHERWELL: Does my hon. friend suggest that we should start an investigation into the costs of handling at each end? Well, we did do that. The combine was charging a double commission, as my hon. friend will remember, and they were fined several hundred thousand dollars; double commissions were considered to be illegal. The courts confirmed that finding and this evil was removed. I think my hon. friend will admit that this is something.

Mr. McGIBBON: That is one achievement; what next?

Mr. MOTHERWELL: My hon. friend, I see, remembers that. Does he think we should go before the railway board and ask them to call a hearing? I repeat, we brought the fruit growers from various parts of Canada into conference, the department paying the cost, and they could have taken advantage of that trip to request a hearing before the railway commission if they wanted to make representations regarding freight or express rates. That is as far as we have gone.

Mr. EDWARDS (Frontenac): The minister has told us what great care is taken in British Columbia in the grading and packing of their apples, and he has said that due to the fact that they exceed the legal standard they have no difficulty in finding a market. That is very good. Now what I understand my hon. friend (Mr. McGibbon) to have in mind is this: We all know, and we can easily satisfy ourselves if we walk down the street, that we are paying a high price for apples in Ottawa, as indeed we pay for them anywhere else in Canada, in the east at any rate. We can also easily ascertain this to be the fact, that the producer of apples in British Columbia, for instance, notwithstanding all the care he takes in the selection, packing

and grading of his apples, does not get for his product anything like a remunerative price considering the great care and labour he expends, and the capital invested. Perhaps the minister has under his hand the figures in this regard and I should like him to disclose them so as to satisfy my curiosity. He might tell us the extent of the importations of similar fruit from across the line into British Columbia. I have been informed that growers in California and Washington and Oregon, finding a market at home for all their produce, are left with a surplus which they are obliged either to throw out into the back yard to rot, or else to ship into Canada, taking whatever they can get for it. That fruit is sent into the prairie provinces at prices far below its cost of production.

Mr. BANCROFT: Would that increase the spread?

Mr. EDWARDS (Frontenac): I am trying to find out if this has not something to do with the low price received by the British Columbia producer for his apples. The American producer says, "Here is a box of apples which cost me about $5 to produce; I might better sell it for $2 than throw it out in the back yard", and we allow him to ship it in Canada and take the market which should be kept for British Columbia apples. This cheap fruit is dumped into the prairie provinces, with the natural result that the British Columbia producer has to come down in his price. That is the point. I think the minister understands that, and perhaps he has the figures which would indicate to what extent the importation of apples from the United States into the western provinces has been carried on.

Mr. MOTHERWELL: The total importation?

Mr. EDWARDS (Frontenac): Yes, from the United States into the western provinces.

Mr. MOTHERWELL: I have not the total by provinces, but I have the total importation of apples into Canada for 1927, which amounted to 151,568 barrels. I also have a list of all the other fruits if my hon. friend cares to have it.

Mr. EDWARDS (Frontenac): Have there been any complaints from Canadian producers in regard to the dumping into Canada of apples or any other fruits at sacrifice prices?

Mr. MOTHERWELL: Only 525 barrels of apples came into Canada under the dumping clause, because as you know the invoice price has to be below the set price before the dumping clause is applied. That amounts to only 0.34 per cent of the total. The rest of the apples came in at a higher invoice price, consequently the dumping clause was not applied.

Mr. EDWARDS (Frontenac): Is that for last year?

Mr. MOTHERWELL: Yes.

Mr. McGIBBON: Did I understand the minister to say that over 150,000 barrels of apples were imported into the three western provinces?

Mr. MOTHERWELL: Into all Canada.

Mr. CAMPBELL: I should like to ask the minister whether the application of section 43 of the Customs Act to the importation of fruits into the western provinces from the United States would not make it impossible for low priced fruit to be dumped there from the United States?

Mr. MOTHERWELL: Section 43 was applied to 525 barrels of apples, which was only about one-third of one per cent of the total. These were low grade apples brought in at low prices, and consequently the dumping clause was applied. The remainder of the apples were of a superior quality and came in above the set price, and therefore the dumping clause was not applied to them.

Mr. CAMPBELL: I do not know to what extent fruit is being dumped into the prairie provinces from the United States, but I have never seen any of it at these low prices. In the particular district in which I reside the whole problem is to buy the fruit. We realize that our friends in British Columbia produce excellent fruit which we wish to purchase, fruit which we need and which we should have. We live in a cold country and are not able to grow this fruit ourselves, and in the winter time it makes an excellent food to balance up the heavier foods used on the farms. We need apples and other British Columbia fruits, and it seems to me that we have the very best market there for British Columbia fruit if we could afford to buy it. I do not maintain that our friends in British Columbia get too much for their products, because we know that is not the case. I know many men who have left their farms on the prairies to go into the fruit districts of British Columbia in an attempt to make a living growing fruit, and a great many of them have come back to the prairies after having lost money. Certainly there is not very much money in growing fruit in British Columbia, but I think the trouble lies more in faulty distribution than in the tariff or anything else. I can hardly ever buy a box of apples in my village for less than

$4, and certainly not for less than $3. The average farmer on the prairies should be able to put in from 20 to 40 boxes of apples every year for the use of his family, but not one farmer out of ten can afford to do it. I believe there is a great field for investigation there; perhaps this work could be done co-operatively. If fruit is dumped into the prairie provinces from the United States it certainly does not reach our part of the country. I do not believe the retailers make too much of a profit either, but the problem seems to be in distribution. The fruit is shipped in carload lots to the larger centres and shipped out again over long distances, sometimes as far as 300 miles or more, in less than carload lots, which means extra freight and express, all of which makes the price to the consumer almost prohibitive. I would suggest to our friends in British Columbia that they explore this field and see if it is not possible to develop some marketing system in the nature of our wheat pool, which would enable them to distribute these apples themselves to the smaller centres. They could ship the fruit in carloads, which would give us the benefit of the cheaper freight, and if that could be done and the fruit sold at a reasonable price there is hardly any limit to what we could consume on the prairies. I was going to say our fruit consumption could be doubled, but I can easily say that it could be increased five or ten times. We have the capacity for the consumption of that much more fruit, but the prices are so high that we are unable to buy the quantity we could use.

Mr. McGIBBON: I am glad to secure some information from a private member which I could not get from the government. The remarks of the hon. member (Mr. Campbell) at least have a ring of sincerity and common sense. This is one of the problems before Canada to-day, and I think the minister and his department should devote some attention to the question of distribution. If something could be done along this line he would be performing a service to the producer and the consumer which would be far greater than anything he has done in the past. I hope the minister will take into consideration the suggestions of the last speaker, and also see if he cannot give us a little more information with regard to that branch of the industry.

Mr. MOTHERWELL: If it will help my friend at all I will take a moment or two to recite some of the things we hope to do in the next twelve months. Last year, in reply to an inquiry by one of the hon. members for St. John as to what we contemplated doing in aid of cooperative marketing, I pointed out that I hoped not to have to organize any new branches of my department until I had better office accommodation for them, but that as soon as I secured that accommodation it was my hope to organize a cooperative marketing branch. My department was then scattered around in eighteen or twenty buildings throughout this city, and I did not want to increase that number to twenty-one. However, events have travelled pretty fast since then. There is, for example, the situation in Essex and Kent in regard to the cooperative marketing of tobacco. The efforts of the growers in that respect have met with only partial success. My deputy and myself went up to study the situation at Chatham, and later on at Windsor, and we made an announcement as to what would be done. We had not accommodation for our present staff, but the situation was growing so serious in Essex and Kent that we felt the time had come to establish a cooperative marketing branch and to take our chances of finding accommodation for it when it was established. The report to council asking for the necessary authority has been signed, and it will go to the treasury board in a day or two. There will be a staff of five.

That, probably, is the information my hon. friend desired. The branch is not yet in operation, and I do not know how long a period will elapse before it will be. We find that to get anything through the civil service commission it takes at least ninety days, so I give fair warning if any delay is experienced in the matter.

Mr. McGIBBON: This is truly a wonderful government. They have been in office since 1922, and in 1928 the Minister of Agriculture comes down solemnly and tells the house that the reason he has not done anything in this matter is because he has not got an office. I ask you, Mr. Chairman, was ever a more absurd excuse offered to an intelligent body of men? He has not got an office! After six or seven or eight years in that department that is the excuse offered by the minister for not having done anything for the people of this country.

Mr. MOTHERWELL: Oh, listen!

Mr. TOLMIE: I was going to ask the minister if he has distributed any information regarding the keeping of fruit. Of course it is well known you can keep fruit, notably apples, in certain temperatures, and they are kept that way by every large wholesaler; but when apples reach the small stores and the

consumer many bags are possibly spoiled by the exposure of the fruit to a fairly high temperature such as you would find in a kitchen. Then the apple becomes unattractive and people do not consume as many as they otherwise would. The idea has often suggested itself to me that if the government distributed a bulletin on how to keep fruit it would have a most beneficial result and no doubt bring about a larger consumption.

Yesterday we had a very interesting debate on research work. We are consuming in this country large quantities of the juices of citrus fruits for breakfast, and I was going to suggest to the minister that he might take up with the research council the question of finding out whether it is not possible to secure some very palatable substitute for these citrus fruits for breakfast, and by doing so increase the market for fruits produced in this country.

Mr. MOTHERWELL: We sent a number of packages of fruit, both last year and this year, to Great Britain. These were packed in different ways—some with two tiers, and some with one—just to find out how much the fruit was affected in transit by the depth of the package. We also had some experiments conducted in the last two or three years in regard to the breaking down of the Jonathan apple, and these have shown that a great deal of improvement could be obtained by harvesting at the right time. I think a great deal more can be done. Too great care cannot be exercised in handling not only apples but other commodities for export. The least thumb mark or the least roughness in handling will be shown immediately the commodity arrives on the other side of the water. I remember some of our people were visitng at Harrod's and they found in the case of some Canadian apples that although they had been handled with the greatest possible care thumb marks were visible on the skin. It is not possible, I repeat, to take too much care in order to ensure the arrival of fruit at its destination in good condition.

Mr. TOLMIE: In regard to the matter of keeping fruit I was very much impressed in London in 1921 when I was handed some apples that were over a year and a half old. They had just been taken out of storage where they had been kept at the right temperature. The apples were Ontario spies and they were in first class condition.

Mr. BANCROFT: I should like to ask if the vote of $8,000 to the Canadian Horticultural Council is to be continued. It has been passed for a number of years, and no one objects to voting this money when it is to be used for the advancement of horticulture. But when that vote, or any portion of it, is used in support of an appeal to the tariff board for higher protection on the fruit that the people of this country need to consume I think it is time to enter a protest. I certainly do protest against voting any money to the Canadian Horticultural Council, or any other organization, to enable them to appear before the tariff board and ask for a higher tariff.

Mr. MOTHERWELL: I presume they want to look after only what they conceive to be the interests of the fruit industry. On the other hand there is the Consumers' League, a very active body under the direction of a very prominent gentleman, looking after activities such as those of the horticultural council.

Mr. BANCROFT: But there is no vote for them.

Mr. MOTHERWELL: I think there are a few items with respect to them all right.

Mr. CAMPBELL: I should like to ask the minister in what way he finds his action in regard to any office he proposes to establish hampered by the civil service commission? I have heard the minister repeat so often in the house that he is hampered by the civil service commission that I should like to know in what particular way he does find his work hindered.

Mr. MOTHERWELL: I should have said the civil service commission under the limitations of the Civil Service Act. I have no complaint at all to make of delay due to the commission, but the procedure laid down is so tortuous that it takes ninety days on an average to get a matter through at all. I noticed in a speech delivered by a member of the previous administration in 1921 that exactly the same condition prevailed at that time. According to a return that was brought down the putting through of a certain matter took ninety days. This is due to no fault of the commission; they act as expeditiously as possible—but to the routine which has to be followed. The first thing we have to do is to establish the position; a position has to be created before you can appoint anyone to it. Then an elaborate description has to be given of the position. Then the matter has to go before the treasury board, who look it over carefully in order to be sure that I am not exceeding my powers. They have kept a very watchful eye on these matters for the last two or three years. There is a

lot of routine, and each party through whose hands the matter goes has to perform his duty and see that the necessary requirements are complied with. This all takes time. When I held office elsewhere the procedure was more simple and direct, and when a position was created it did not take nearly so long to fill it. If we required a man we went after him and got him. I have no authority of that nature in my present position. If immediate action is required the minister in charge must have power to act immediately; he cannot secure prompt action in the face of so much routine. The same thing is true with regard to research work. Australia can come to Canada and in broad daylight take away our best men. Why? Because their research workers are not under the civil service commission of that country. But on the other hand we cannot go to Australia and say to some of their men: "We want you," for the simple reason that we have no such authority.

Mr. CAMPBELL: All the minister has said will increase my respect and admiration for the civil service commission and convince me all the more that we really need to maintain such an institution in Canada. In spite of what the minister says, I find at every session of parliament some action is taken by this house to impair the usefulness and power of the civil service commission. In the estimates year after year appear votes providing for the appointment of certain officials not under the commission. There seems to be no difficulty whatever on the part of the government to get around the civil service commission when they want to do so, but the minister and one or two of his colleagues use every opportunity they can to throw some mud, not particularly at the personnel of the civil service commission, but at the principle on which the commission is based. In other words, they want the patronage system back. The minister told us about how nicely things were done where he came from, and I presume he refers to Saskatchewan. I can cite some instances about how nicely things are done there too. Let me give one.

Mr. MOTHERWELL: In the Department of Agriculture when I was in charge of it?

Mr. CAMPBELL: No. I think the minister administered his department excellently in Saskatchewan, and I will pay him the tribute, as I have done in my constituency, of saying that he is an excellent Minister of Agriculture. Without abusing the old proverb, "comparisons are odious," I think I can say

[Mr. Motherwell.]

that the minister understands his particular job just as well as any minister of the crown in this house. I do not think he is any particular sinner with respect to the patronage system. Some time ago I was unfortunate enough to become involved in a law suit in Saskatchewan.

The CHAIRMAN: I do not want to interrupt the hon. member, but I cannot see what that has to do with the item before the committee.

Mr. CAMPBELL: I will finish in a moment, but I think it is particularly relevant. The minister was permitted to express his opinion with regard to the patronage system, a system which is involved in every single vote in this house. I was going to say that in the particular case referred to I found that the provincial police of Saskatchewan were instrumental in working up a civil case against me.

The CHAIRMAN: The hon. gentleman is wholly out of order in this discussion.

Mr. CANTLEY: I have listened with a great deal of interest to the discussion which has gone on for the last hour or more. I sympathize to a large extent with the minister—

Mr. MOTHERWELL: Thank you.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

ELECTRICITY AND FLUID EXPORTATION ACT AMENDMENT

Mr. H. A. STEWART (Leeds) moved the second reading of Bill No. 2, to regulate the exportation of electric power.

Mr. CAHILL: Explain.

Mr. STEWART (Leeds): I cannot add much to the information which was given to the house on the first reading. The object of the bill is to amend the Electricity and Fluid Exportation Act of 1907. By the provisions of that act the exportation of petroleum, natural gas, water and other fluids is regulated by order in council, and the effect of the bill now before the house is to change the provision with respect to the exportation of electric power so as to make it subject to act of parliament, and to leave the regulation of the export of petroleum, natural gas, water and fluids as it now stands.

When this legislation was introduced in 1907 the value of electric power was comparatively small as compared with its value at the present time. It is now one of our most valuable resources, and is practically inexhaustible, because as long as water flows over a waterfall we are able to develop electric power. It is constantly increasing in value, and we believe is approaching a huge development in Canada. Its value to Canada can scarcely be over-estimated, and I submit that in dealing with an asset so valuable we should have the sanction and approval of the House of Commons rather than have the matter dealt with by order in council. I feel, Mr. Speaker, that the exportation of electric power should, as far as possible, be prohibited; that electric power should be retained in Canada for the benefit of the Canadian people, because its value in developing our industry and our agriculture and in providing traffic for our railways can hardly be accurately estimated. This bill does not propose to go the length of prohibiting the export of power, but would make it subject to the regulation of parliament. As far as I have observed I think the press comment has been favourable, and the bill as introduced has the support of a very large body of public opinion in Canada. There are provisions in the bill which preserve the rights of the provinces, and the measure contains certain saving clauses with respect to existing liens.

The only objection I have heard urged against the bill in the house or elsewhere is that it does not provide for emergencies, or for the fact that in some cases it may be extremely advantageous that there should be an exchange of power from time to time as we have it at Niagara and perhaps elsewhere. That objection may be easily overcome by a proper amendment. In fact I have gone so far as to draft an amendment which I think would meet all the objections which have been offered. An order of the house has been made for the production of copies of all licenses and regulations, and when these documents are brought down we shall be able more intelligently to discuss the matter. I suggest that the bill might well be read a second time and sent to committee for approval and consideration and for such amendments as the circumstances seem to warrant.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, the government is taking no exception to this bill. It does not make any drastic change, but I think the sponsor has in mind that in cases where new developments spring up, and there is a possibility of a certain portion of the power being exported, the company or individual promoting the measure shall come to parliament and obtain a private bill for that purpose. With that suggestion, the government has no quarrel; indeed I think I may say on behalf of the government that we will go even a step further. It is in our opinion desirable that the exportation of electricity be absolutely prohibited; it is too valuable an asset for us to permit it to leave our country. Although we may be at some disadvantage from a climatic point of view we have this very valuable asset which to some extent offsets that condition, and it is important that we should retain it within the boundaries of our own country. I suggest that this bill be referred to the committee on railways, canals and telegraph lines in order to give interested parties an opportunity to appear and voice any objections they may have to its provisions, and also to give my hon. friend an opportunity to make the necessary amendments which I think are required, particularly to clause 6. That clause reads as follows:

> Nothing herein contained shall be deemed to affect the rights of any province with respect to power or the rights of any person under any license issued before the first day of January, 1928.

I understand it is the intention of my hon. friend not to interfere with existing contracts, and that the issue of yearly license will continue. With that suggestion I think the bill might go to committee for consideration, and the government will be content.

Mr. H. B. ADSHEAD (East Calgary): I should like to get some further information on this question. My hon. friend has made a statement about not interfering with provincial rights. Last year we had a discussion in Alberta with regard to these power rights, and I understand the provinces of Ontario and Quebec claimed that they had full rights to the development of electrical energy in their respective provinces. It seems to me that if the provinces control the generation and distribution of electricity, this bill may be an interference with provincial rights. If we are to continue to put an embargo on the exportation of electric power, there is no reason why a similar embargo should not be imposed on the exportation of gas and other natural resources under provincial control. I think it should be made clear how far we are going to trespass on provincial rights.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

POST OFFICE ACT AMENDMENT

NEWSPAPER OWNERSHIP

Mr. T. L. CHURCH (Toronto Northwest) moved the second reading of Bill No. 22. to amend the Post Office Act.

He said: The object of this bill Mr. Speaker, is well known to the press of Canada, namely, to identify the ownership of newspapers. For many years past the newspapers of this country have been coming to parliament and securing privileges. Up to 1882 newspapers were carried free by the post office. This bill provides for what is already required by law in England, Australia and the United States, that is: A sworn statement of the names and addresses of editors, owners and principal stockholders of every newspaper, magazine, periodical or other publication, to be filed with the Postmaster General semi-annually. There is an exception in favour of religious, fraternal, temperance and scientific or other similar publications. Also, it shall not be necessary to include in such statement the names of small stockholders, that is, persons owning less than one per cent of the total amount of the stock, bonds, mortgages or other securities. If any such publication fails to comply with these provisions it shall be denied admission to the mails. Paid editorials and other reading matter for which money is paid shall be plainly marked "advertisement". Statements under the act are to be made in duplicate and delivered to the Postmaster General, who shall make regulations for the carrying out of the provisions of the act.

I introduce this legislation solely in the interests of the freedom of the press in a liberty-loving country. It is the law to-day, as I have said, in the old land, in Australia and in the United States. Unless a newspaper is registered in the names of the editor, the publisher and the largest stockholders it cannot get the advantage of the mails in the United States, and if it contains paid editorials they must be marked as advertisements.

It is interesting to recall, Mr. Speaker, that you were the pioneer in this field, because away back in 1919 you introduced a resolution for a purpose similar to that which I am now seeking to accomplish by this bill. It was then felt that such legislation was necessary, and parliament was prepared to enact it, but unfortunately at that time we had the so-called uplift form of government known as the Union government, which was very fond of making a political football of any economic question. The then president of the council, Mr. Rowell, raised the point that under section 92 of the British North America Act your proposal affected property and civil rights, and these being under provincial jurisdiction he asked that your motion might stand. His opinion prevailed.

I wrote the Postmaster General of the United States, and in his reply he refers to the fact that the legislation there is working satisfactorily and they could not very well get on without it.

The Hearst papers, some of which were prohibited during the war, are allowed circulation in Canada, but in the United States they are subject to regulations similar in scope to the provisions of this bill.

In Toronto we have the Mail and Empire newspaper. Until recently no one knew who owned it. That paper was the arch critic of the hydro-electric policy of the Whitney government; it ridiculed Sir Adam Beck, it ridiculed public ownership, and it ridiculed the Whitney government for introducing hydro-electric legislation, under which we have built up our provincially-owned hydro-electric system, a system that has conferred such boons on the farmers and working people of Ontario. The Mail and Empire was clearly wrong in its attitude to public ownership. As a matter of fact, the paper was owned in Montreal. Recently it was sold to a good man and a fair man—Mr. I. W. Killam of Montreal. We know he is a responsible man and a reliable one. He has turned the paper upside down; to-day it is better in every way as a newspaper and I venture to say he would not oppose this bill.

There have been considerable newspaper references to this bill. The various farmers' magazines have openly approved of the proposed legislation as being in the best interests of a free press and a free parliament. The Farmer's Advocate has written me in the following terms:

> The reading public are entitled to information regarding the ownership of the publications they read. There are to-day many cross currents in public opinion, and there are so many conflicting views expressed, that we are sure the publication of the information suggested in your bill would help to clarify the situation for the benefit of people who are guided by the printed page.

The St. Catharines Standard says:

> The information will be very interesting when it comes to the demand for power concessions and other rights, and might explain some flip-flops in the days immediately preceding an election.

The Globe, founded by George Brown, has urged such legislation for years, and in a recent editorial it says:

Parliament should earnestly support and pass the bill once more introduced by Mr. T. L. Church, requiring newspapers to give to the public information as to their ownership. It is a step which newspapers themselves should welcome in the interest of honest journalism.

Newspapers are a recognized force in the making of public opinion, which means a force in the government of the country. They present the news, but they also present opinions. Readers should know what interests and influences are at work in the forming of the opinions presented. There should be means of judging whether these opinions are based on informed zeal for public welfare or whether the newspaper uttering them is secretly promoting selfish purposes.

It should not be possible for two newspapers under the same ownership to promote contradictory policies without the public knowing the fact. By adopting the wise measure introduced by Mr. Church, the newspapers will be better served and public confidence will be increased.

The Port Hope Guide has this to say in support of the bill:

The public has a right to know from what source the fountain of public opinion, represented by the press, draws its inspiration. If from interests adverse to the welfare of the public, the fact should be known from the house-tops. This country cannot afford to have the press muzzled or controlled by corporations, parties or persons whose only object is to direct public opinion into lines that are calculated to advance private or corporate interests to the detriment of the general interests of Canadians.

No responsible publisher, or newspaper owner is ashamed or afraid to allow the whole world to know who's who, and would welcome such a law; it is only the publishing company whose personnel is represented by "straw men" and against such companies action cannot be taken owing to the fog surrounding them. It must not be lost sight of either that there are corporations even in Canada, which can and do afford not only newspapers but radio broadcasting to disseminate what they would have the public believe. Even the electorate might be influenced to vote for some fraudulent scheme and promote a wrong.

I may observe, Mr. Speaker, that you yourself supported a similar resolution in 1919. For your views on the subject I would refer the house to the debate as reported in Hansard. I want it understood that I am not for a moment attacking the press of this country; I do not believe that you could find anywhere a press to excel it. The contribution which the Canadian newspapers made to the community, the country, education, to social betterment, the satisfactory outcome of the war; what it did to promote the cause of the poor and needy and of charity and philanthropy and to further every worthy movement in behalf of the soldiers and of the nation at large, was invaluable. It was the press that helped very largely to restore Canada to her normal position. Nor can one say too much for the honour and integrity of the press of Canada. The tendency of our Canadian newspapers is decidedly forward, not backward, and notwitstanding the high cost of material and labour their prospects are bright. I have no doubt that the genius of our newspapers will help to make this country great industrially so that Canada will march triumphantly on from strength to strength. The genius of a free people will help and work for the good and success of the newspaper industry.

The object of this bill is to make the disclosure of newspaper ownership compulsory. There are four estates in the Dominion: the Governor General, the Senate, the House of Commons and the press. We know who the Governor General is, we know who the members of the Senate and the House of Commons are, and logically we ought to know the composition of the fourth estate, the press. There is no reason why the ownership of newspapers in this country should not be disclosed, when we bear in mind the fact that registration is compulsory in all cases of transfer of real and personal estate and, as well, in transactions in connection with chattel mortgages, bills of sale, wills, deeds, mortgages, notes, liens and so forth. The shareholders and directors of banks must also be disclosed, and those comprising bank mergers are not concealed. Why, therefore, should the ownership of a newspaper be concealed? A free press is as necessary to the welfare of the country as a free parliament. You, Mr. Speaker, are a literary man and a lawyer, and you presented the argument in this case a few years ago, in 1919, in such a manner as must have commended itself to all thinking people. Had your advice been followed in 1919 it would have been a good thing for this country and for the press and a free press and for the liberty of the press.

Is there any fair-minded man in this country who is opposed to this proposition if he has at heart the interests not only of the country but of the very press itself? Legislation similar to this has been found necessary and has proved beneficial in the United States and in England and Australia, and the same reasons that apply there are equally applicable in Canada. The object of the proposed amendment is to facilitate the enforcing of the regulations governing the use of the mails. In a return brought down by the minister it was shown that the country has been suffering a loss of eight millions a year in the payment of cash sub-

sidies to the newspapers in the way of rates granted on the carriage of newspapers through the mails less than the cost thereof to the post office; in other words an eight million dollar subsidy is given them.

Now the government occasionally spends considerable sums of money in advertising and I do not blame them for so doing. It is the duty of the government to keep the public informed on various questions affecting the interests of the people. All governments do this, and it is only natural for them to patronize the papers that support them. I am not complaining of this because I hope I am enough of a sport to realize that it is what others would do. The merchant on Sparks street also is obliged to advertise in the press and if he sells his stock or store must register the same. The merchant cannot sell his goods without registering, nor can the farmer dispose of his stock or crops or produce without complying with the same requirement of a bill of sale. I see no reason therefore why we should not expect the press to do the same and disclose their ownership.

Canada to-day is the happy hunting ground for American millionaires and promoters who are seizing our forests, our timber reserves, our mines, our pulp wood, our water powers, and in the process enlisting the aid of a section of the press. The future of new Ontario is endangered by a small section of the press which boosts the business interests of American millionaires, and we can very well understand why this legislation is being opposed by a few. It is a fact that many of the newspapers carry paid editorials whose sole object is to boost certain policies. The Toronto News, at one time under the direction of Sir John Willison, went so far as to describe Sir James Whitney and Sir Adam Beck and their hydro program as two amateur anarchists, and other newspapers have been known to oppose enterprises which have been undertaken for the good of the common people of the country. I know that a section of the press in the city I come from tried to foist an expenditure of $32,000,000 on the taxpayers in 1914, in connection with the sale of the Toronto Railway Company and Toronto Electric Light Company to the city. The arbitration gave them in 1922 $12,000,000 for the railway instead of $32,000,000, and that was twice as much as they should have got. The American interests in this country are by no means lax in asserting themselves, and they do not hesitate to engage the assistance of a section of the press.

The last time—1919—a resolution of this nature was proposed we had opposition from

[Mr. Church.]

the apostles of uplift, the Union government, especially that brand of uplift that finally landed the good old Conservative party in the cemetery. Legislation of the nature now proposed has been found to work admirably in the United States, and the same is true of England and France. It is a social necessity, it is an economic necessity, the object of which is to safeguard the interests of the country. I am sorry that neither the government nor some member of the Progressive party saw fit to introduce this bill, especially in view of the fact that the proposal has been openly espoused by agrarian newspapers in the western provinces as well as by many other leading journals in the prairies, of all shades of politics. I cannot understand why it should have been left to a member of the opposition to bring forward a measure of this kind.

One cannot help regretting the tendency of the press to-day to adopt the chain principle; we have chains of newspapers throughout the country. These chain newspapers have lost their individuality and their potency, and the local colouring and tireless aid which formerly they gave to the municipalities for good government and for legislation for the masses. I may say in this connection that I have a letter from the Postmaster General of the United States in which he says legislation of this kind is working out very satisfactorily in that country, and I believe there is no reason why it should not work here also. I believe this bill should go to the private bills committee, because it involves a very important public principle, and in that committee deputations could be heard dealing with all sides of the question. I have introduced three other bills similar to this, but they never proceeded beyond the first reading. In 1924 my bill came up for second reading, and, in the absence of the then Postmaster General, the Prime Minister asked that the bill stand, promising me another opportunity to proceed, which, however, was not made available. There has been no legislation in regard to this particular matter since 1882; I had the promise of the predecessor of the present Postmaster General that this bill would go to the private bills committee for consideration, and I believe that to be the proper course in this case.

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, I do not rise to oppose this bill; I rather welcome its introduction, setting forth, as it does, the policy of the Liberal party when they were in opposition in 1919, as declared in a resolution along very similar lines introduced by you, Mr. Speaker in that

year. I have one objection to make, however, and it is this: I believe we should place all newspapers in Canada on the same footing; there should be no exceptions. Subsection 1 of section 23a says:

Provided, that the provisions of this subsection shall not apply to religious, fraternal, temperance, and scientific or other similar publications.

I would suggest to the hon. member that he consider amending that section by leaving out that proviso and making it include newspapers and periodicals of all descriptions. If he would consider that before the bill comes up for discussion in committee of the whole house, I should be very pleased to help him put the bill through.

I do not think it necessary that this bill should go to a private committee; it can be dealt with very well by the committee of the whole house. I believe we are sufficiently aware of the importance of our newspapers in Canada, and I think we know enough of what is required along the lines set out in this bill to proceed with it here without losing time by submitting it to a committee.

Mr. CHURCH: I shall be very glad to accept the amendment, but I still think the bill should go to the committee on private bills.

Mr. M. N. CAMPBELL (Mackenzie): I wish to add just a word to what has been already said in support of this bill. I congratulate the hon. member for Toronto Northwest (Mr. Church) on the interest he has shown in bringing down a measure of this kind, and I heartily congratulate the Postmaster General (Mr. Veniot) on being at least one of the ministers ready to fulfil the promises made in the platform of 1919. This is something the organized farmers of western Canada have advocated for many years. Perhaps there is something rather remarkable in the fact that it should be introduced by one of the Toronto members, but I certainly approve of it and think the hon. member should be thanked for bringing down such a measure.

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

On section 1—sworn statement of names and addresses of editors, owners, stockholders, etc., to be made semi-annually.

Mr. VENIOT: Mr. Chairman, I suggested an amendment to this clause, and perhaps it might be in order for me to now move that all the words after the word "months" in the twenty-third line be struck out, down to and including the word "publications" in the twenty-sixth line.

Mr. MANION: The word "further" after the word "provided" in the same line would have to be struck out also to agree with that.

Sir GEORGE PERLEY: I have not given much study to this bill, but I suppose the minister wants to make it as workable as possible. It seems to me that when you publish the names of all persons having one per cent or over of the stocks, bonds or mortgages, you are going into rather unnecessary detail.

Mr. VENIOT: Where is that found?

Sir GEORGE PERLEY: Just after the words which have been struck out in line 28:

—less than one per centum of the total amount of stock, bonds, mortgages or other securities.

If the total was $1,000,000, one per cent would amount to $10,000, and just as in the case of ownership of $100,000 of bonds the name of the owner would have to be included. That seems to be unnecessary detail.

Mr. VENIOT: I am perfectly satisfied with the bill as it stands. It is up to the hon. gentleman (Mr. Church) to agree to any further change.

Section as amended agreed to.

Bill reported, read the third time and passed.

RAILWAY ACT AMENDMENT

SPECIAL RATES ON COAL

Mr. T. L. CHURCH (Toronto Northwest) moved the second reading of Bill No. 26, to amend the Railway Act.

Mr. LAPOINTE: Explain.

Mr. CHURCH: The object of this bill is a step forward for a national coal policy and to provide a remedy for the existing problem of supplying coal to the central and other portions of Canada, and render Canada independent of foreign supply.

The present coal situation is grave and demands an immediate solution and the adoption of a national fuel policy so that every pound of coal shall be mined and coked under the British flag.

The bill is an effort to establish a national policy for the carriage of Canadian coal and coke on the same basis as is provided by the special tariff on grain and flour. The govern-

ment by an order in council rescinded and then restored special rates on grain and flour. The coal question is a transportation question to the extent of 95 per cent. Canada owns the national railways and merchant marine, and has the facilities to solve the coal problem and put in force a national coal policy which would forever make the country independent of a foreign supply. Action is wanted. Coal is as much a necessity as flour and grain. Part of the Canadian grain going through American channels gets a special rate. There should be equality of treatment for carrying coal on the same basis as flour and grain. Canada has spent over two billions of dollars on the national railways, and surely it ought to be possible to reduce the rates for the carriage of coal by a few cents a ton in order to aid the miner in Alberta and the maritimes. The national railway either belongs to the people of Canada, or it belongs to Sir Henry Thornton. Should it be used to develop a sparsely populated vast dominion, or should it be run solely for profit to satisfy the ambition of its president? Is present profit its sole aim, or is to develop a vast dominion its sole object? Was this railway system taken over by the nation to help bring about economic annexation to the United States, or was the initial objective a means for the distribution of necessities and the transportation of its settlers in order to encourage an ever increasing and contented people? Can a country known to possess a real winter or fully one-half of every year expect to grow if the statement once was noised abroad that no reliable source of fuel was ensured for its settlers? If a country does not grow, will or can its revenue increase? Would not this bill bring in the near future great development of industry, some ten, some twenty and some a hundred fold?

The legislatures of Alberta and Ontario, and others as well, have lined up in favour of this legislation. There is only one proper course to follow and that is to grant reduced rates for the transportation of coal mined and coked in Canada and used for domestic purposes in Canada in order that the needs of the people may be met in a satisfactory and adequate manner. This particular legislation will cost the country little or nothing, and will confer a great benefit not only on the people of Alberta, and of other parts of the west, but also on the people of the maritime provinces and of central Canada. It is a step in the right direction.

The management of the national railways say they cannot carry coal from Alberta at less than $9 a ton. I would say to Sir Henry Thornton that Canada's national railway system must not be operated for the promotion of the United States coal barons alone but for the benefit of the people of Canada. Sir Henry Thornton receives his salary from the people of Canada. Does he consider their interest one iota or is he striving for his own vain glory? This question has been before the public for six or seven years now, and no progress has been made with it—a football has been made of it.

There is only one way of solving this question and that is along the lines of the Duncan report which is the principle of this bill. Ontario and Quebec are just as much entitled to relief in the coal situation as other portions of the country which receive bonuses and subsidies to solve their economic ills.

The province of Alberta is certainly entitled to a reduced rate for the carriage of coal as are the maritimes and on the same rate cut as grain and flour now receive. There should be equality of treatment in Canada. There should be an economic policy adopted in this country for the good of all the provinces. It should be a cooperation with a policy of "each for all and all for each." That is the just principle for all provinces in the confederation.

The proposed legislation may be looked upon as a small form of subsidy, but it will reap a vast harvest, not only for the national railways but for the people of western and central Canada and the east as well. If Sir Henry Thornton is working for the United States coal barons, and himself, he should either be paid solely by them or he should forfeit his present salary to his ambition for a surplus profit. Seemingly Sir Henry Thornton would prefer to fix the coal rate at $9 or $10 a ton and carry no Canadian coal at all, than to lower the charge a trifle and secure the cream of the business. In my opinion a case has been made out for placing coal on a parity with grain and flour in the matter of railway rates on a special tariff toll basis. If hon. members will read the evidence given before the railway commission they will realize that such is the fact and that coal should receive the same preferential rates. For the reasons I have given I move the second reading of the bill.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, it is my duty to endeavour to inform the house as to what the effect would be upon the rates with which this bill seeks to deal. In the first place the present Crowsnest pass rates

on grain are applicable to the head of the lakes. As regards the movement of coal from the west to Toronto, the rate for grain per ton and the rate for coal per ton are now identical. The rate on grain from the west to Toronto is $12.70 per ton. From Drumheller, the mining centre to Toronto, the rate is the same. I presume however that my hon. friend who introduced the bill has in mind the application of the same mileage rates as now apply to grain as far as Fort William, to the remainder of the distance from Fort William to Toronto, although the language of the bill which he introduces leaves me somewhat in doubt as to whether that would be the result. Neveretheless I thought it desirable to have figures taken out which would illustrate the application of the mileage scale of the Crowsnest grain rates to Fort William, also to the remainder of the distance to Toronto on coal. The reason for making this analysis was to ascertain whether or not the adoption of such a principle would make it possible to move coal from Drumheller to Toronto and sell it there to the satisfaction of the people of that city and the people of Ontario generally.

If I remember correctly the representations which have been made by the coal operators of Alberta and by the government of that province, they do not believe that a rate of more than seven dollars per ton would enable the business to be done. All the argument is in the direction of a rate of seven dollars per ton or less in order to make practicable the movement of coal from Alberta to Toronto and southern Ontario generally. If we apply my hon. friend's measure in the manner I have just indicated, the Crowsnest mileage scale east of Fort William as well as west thereof, to coal, we would get a rate from Drumheller to Toronto of $8.44 per ton. That is what the railway commission would be ordered under this legislation to put into effect as a rate, and I submit for the consideration of my hon. friend and those who I know are interested in securing a solution to this question, that a rate of $8.44 is not in accordance with the claims which are made by the coal operators in Alberta and the consuming public in Ontario as to the reduction necessary in order to bring about effective relief.

Mr. HOCKEN: Is that all rail to Toronto?

Mr. DUNNING: Yes. The all-rail rates are the only rates affected by the bill. It might be claimed that a more advantageous comparison from the point of view of coal movement could be secured by including together the statutory rate on grain to Fort William and the rate fixed by the railway commission over the Transcontinental line to Quebec on grain and applying the mileage scale on grain east of Armstrong to the distance to Toronto. I have had those figures taken out too, and the result if that were applied—and I doubt very much if such an application would be covered by the terms of my hon. friend's bill—would be that the rate would still be $8.30 per ton. Therefore we see that by applying the lowest scale rate existent anywhere in Canada with reference to grain, we would still have a rate from the coal fields to the consumer in Ontario of $8.30 a ton. I think I cannot do better than leave to the house the question whether it is desirable to incorporate in the Railway Act a statutory rate which admittedly will not accomplish the objective which the promoter of the bill states that he has in view, because the rate which would be secured thereby is much higher than that stated by the coal operators and the government of Alberta and by the government and people of Ontario as being necessary in such a case. I would be quite prepared on behalf of the government to have the figures I have presented further examined by a committee of the house—and I am not now discussing, as I did the other day, the desirability of further extending the principle of statutory rates—but I think any examination would reveal the accuracy of what I have stated with respect to the application of the measure.

Perhaps it would be worth while to give some information regarding comparative rates from the maritime provinces region on coal with the Crowsnest rate now existing in the west on grain. I know there is a good deal of misunderstanding in some quarters in that connection. The rate on coal to Riviere du Loup, 718 miles, is $2.90 per ton. The grain rate under the Crowsnest pass schedule for the same distance in western Canada is $3.80 per ton.

Mr. BENNETT: Different classifications.

Mr. DUNNING: Of course coal and grain are different classifications, but the bill seeks to place them in the same classification. If my hon. friend's bill were to pass, I take it that the rate on coal from the maritime provinces to Riviere du Loop would be increased from $2.90 to $3.80 per ton, and would thus deprive the maritime provinces of the advantages which are theirs at present under the Maritime Freight Rates Act.

Mr. CANTLEY: Will the minister be good enough to give the point in the maritime provinces to which he is referring?

Mr. DUNNING: Sydney, Nova Scotia. That is the point taken as the point of shipment. I gave the mileage. If we take Quebec, an important market for coal from the maritime provinces, the present rate under the Maritime Freight Rates Act is $3.50 per ton. The rate for a similar distance, 818 miles, under the Crowsnest rate on grain is $4.00 per ton, or fifty cents per ton higher on grain than on coal moving from the maritimes into the central market. To Montreal, an important market—

Mr. SPEAKER: The hour for public bills and orders having expired, the house will now resolve itself into committee of supply.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Johnston in the chair.

Agriculture—fruit, including grant of $8,000 to the Canadian Horticultural Council, $290,000.

Mr. STIRLING: Can the minister inform me whether any progress has been made as between the government of Canada and the government of Australia with regard to the entry of apples into Australia? The minister will remember that when the Premier of Australia was here last year he was approached in this regard. Again, as he passed through Vancouver he received deputations from the fruit growing interests in British Columbia, and he appeared to be very greatly interested in what that deputation placed before him. He was interested from the point of view of increasing the entry of Australian apples into Canada at times when the Canadian market was bare of apples; and just prior to the Minister of Justice starting for Australia he was supplied with data connected with the matter and asked to take the matter up in Australia. We have never heard whether what the minister was able to do in Australia resulted in any benefit, and we would like to know from the minister whether the situation has in any way improved.

Mr. MOTHERWELL: When Premier Bruce was in Canada I availed myself of the opportunity of having a very full discussion with him on this embargo which he placed against our apples because of fire blight. Our experts have always taken the view that fire blight was not transmissible by the fruit. The Australian government took the opposite ground—that there was a likelihood of its being transmissible—and they were inexorable on that point. After Premier Bruce left here, and about the time he would arrive home I wrote him very fully, so that he would have the letter on file, urging him as strongly as possible to reconsider the matter with a view to taking the embargo off. But the reply was the same—they could not see their way clear to do it. It is their privilege to impose embargoes if they see fit, and that is the way the matter stands.

Mr. CANTLEY: Before six o'clock the minister made some remark from which I gathered that he intended to do something in the way of establishing marketing conditions in the central part of Canada. May I ask him what are his intentions with regard to marketing, particularly in Nova Scotia? Last year that question was up before this house, and if I mistake not, the member for Hants-Kings (Mr. Ilsley), when we were discussing the question of the interchange of fruit between the east and the west, said that Nova Scotia fruit did not go to the west. Well, that is true, Mr. Chairman, and for a very good reason: the freight rates are entirely opposed to that movement. The Minister of Railways was in his seat a moment ago; I thought he was still there, but I see he is not. However, I may point out that from Onondaga valley to Halifax the freight rate is $1.64, whereas the rate on Nova Scotia fruit travelling westward into British Columbia is $2.65.

Mr. RALSTON: Per hundred pounds.

Mr. CANTLEY: It does not matter whether it is per 100 pounds or per barrel, it is a discrimination as against Nova Scotia fruit. I would ask the Minister of Agriculture to use his good offices with the Minister of Railways to rectify that matter, which is an injustice, as many of the other rates are, to the maritime provinces.

Mr. BROWN: It might be well to point out that the Crowsnest pass agreement originally made provision for the shipment of fresh fruits to the west, and if I remember rightly that agreement was very strenuously fought by a great many members in the maritime provinces.

Mr. MOTHERWELL: If not all of them.

Mr. CANTLEY: I am not interested in that, as I do not accept it as a quite correct statement.

Item agreed to.

Seed, feed and fertilizer control, including grants to seed fairs, etc., $375,000.

Mr. FANSHER (Last Mountain): Is the minister extending the operations of the seed control branch to western Canada?

Mr. MOTHERWELL: Perhaps I could answer that question better by pointing out that in all Canada there are six seed control zones, beginning at the western part of Canada. The first one is at Calgary, then Winnipeg, then Toronto, Quebec, Sackville, and there is a central zone in Ottawa. These are used primarily for the testing of seeds for purity from weed seeds and germination. There is a good deal of agitation in the west in regard to paying more attention to the cleaning and preparing of seed. The appliances there are so primitive that it costs so much that the average man cannot pay the cost of properly cleaned seeds. I have been in communication with the Minister of Agriculture of Alberta and the Minister of Agriculture of Saskatchewan in connection with doing co-operative work in connection with these facilities for seed cleaning purposes with the seed men. This vote covers seed, feed and fertilizer. I remember when we came down here the first year the hon. member for Lisgar brought to my attention the very urgent necessity of some amendment to the Feed Act, particularly with reference to bran and shorts. At that time a large percentage of the screenings was included in the bran and shorts. It helped out considerably from the weed standpoint, but not in the feeding properties. We had that act before us several times, and I think now everybody is satisfied with the Feed Control Act in that respect. The particular kind of fertilizers is not of very much interest to the western farmers. We have had experiments with the use of the fertilizers out there and it costs more to distribute it, even if it were laid down on the farm free, than it is worth. But down in eastern Canada where the early virginity is out of the land, the artificial fertilizer becomes an important matter indeed, particularly where you are constantly growing crops like potatoes and tobacco. It is a very vital matter to the farmers to get a good supply of the proper quality. It is just as important to them as any other subject is important to the western farmer—the grading of the grain, for instance.

These three acts, plus the Insecticides Act, which was passed last year, all come under the seed control administration. The Insecticides Act covers all poisons for economic purposes—fruit, vegetables or anything else. That is roughly what the seed control commissioner has to do.

Mr. FANSHER (Last Mountain): The point I wish to stress is with respect to the control of seed that is being used generally over the western provinces. We have made progress by the establishment of tuberculosis-free areas, pure-bred sire areas, and so on, and I think there is a great field of usefulness for seed control work in western Canada. We have a large number of varieties of grain sold in the same district, and when the crop is drawn to market we get mixed grades.

Mr. MOTHERWELL: My hon. friend is speaking of commercial seed. I suppose he saw the survey made by the Dominion Department of Agriculture with regard to the kind of seed used by many farmers. The seed was taken from the drills, and it was found that a large percentage was very low grade and dirty. It was appalling to find this class of seed being sold in what is possibly the premier grain-growing province of the Dominion. We found some of the weed inspectors were doing this, and they above all others should know better. It was not that way twenty years ago; then the utmost care was taken with the seed and it was treated with some form of insecticide. Unfortunately when there is a run of good crops there is a tendency, so far as the bulk is concerned, for the retailer to grow careless with regard to the quality of the seed, with the idea that anything will do.

Mr. BROWN: There is a matter which should be taken into consideration in connection with this vote, Mr. Chairman. I am sorry that the member for Neepawa (Mr. Milne) is not here, because he and his brother had an unfortunate experience that I think ought not to be repeated very often. The story told to me, if I remember aright, is that they bought some four or five hundred bushels of seed grain on sample from a seed merchant. When they got it home they found it was by no means equal to the sample. They complained, but their only satisfaction was to be told that they could draw the grain back to the railway station, about twelve miles away. To draw four or five hundred bushels of seed wheat such a distance at that time of the year was not a welcome experience. The situation must be met by a more rigid control over the men putting seed on the market to see that it is according to sample.

Mr. TOLMIE: I notice the minister has an increase of $39,000. How is it accounted for?

Mr. MOTHERWELL: As my hon. friend will notice, the activities under the department are extending all the time. It costs

something to take care of this insecticide act and also the new hay act. The flat increase that was given to practically all the civil service last year also represents a considerable addition to the vote. There are no particular new activities outside of those mentioned.

With regard to the complaint made by the hon. member for Lisgar (Mr. Brown), there is provision in the law for redress. I know it is pretty difficult to get complete redress when you are dosed up with a bunch of bad seed in seed time with no opportunity of getting better seed. That seed merchant should have been prosecuted for violation of the law, because every bit of seed grain is carefully examined by the seed inspector before it leaves the seed house. There must have been some dishonesty by somebody, otherwise such a consignment could never have got into the channels of trade. If anything like that occurs again we should like to be informed about it so we may take the matter up and get what redress is possible. Of course, I recognize that he who has been so victimized cannot get full redress.

Mr. BENNETT: Are the salaries of inspectors included in these items?

Mr. MOTHERWELL: Yes.

Mr. BENNETT: How many inspectors are there in the minister's department?

Mr. MOTHERWELL: In the whole department?

Mr. BENNETT: I was going to ask him for the number in the whole department before I find out how many there were on January 1, 1926, January 1, 1927 and January 1, 1928.

Mr. MOTHERWELL: That would be a nice thing to ask a return for.

Mr. BENNETT: No, it would be a nice thing to ask the minister for.

Mr. MOTHERWELL: The minister will be delighted to answer and justify it.

Mr. BENNETT: I am perfectly sure he will try to justify it.

Mr. MOTHERWELL: I might say that, outside of a comparatively small number of items, these sums are largely for inspectional purposes, and of necessity this inspection must be done through the medium of men and women inspectors. That is the character of the work.

[Mr. Motherwell.]

Mr. BENNETT: I want to know how many Liberals the minister employed last year.

Mr. MOTHERWELL: Liberals! We would have to get an X-ray to find any. I do not know how many—

Mr. McGIBBON: One hundred per cent?

Mr. MOTHERWELL: It is pretty hard to tell. Has my hon. friend any particular one in mind? If so I should like to put a tracer on him.

Mr. BENNETT: My information is that it requires now a tracer to trace them, there are so many, and that we have inspectors of inspectors.

Mr. MOTHERWELL: I invite now not only my hon. friend but any other hon. member to name one man engaged in this work over the requirements of the public service.

Mr. BENNETT: That is what we are trying to find out. Will the minister tell us under this item how many inspectors there are, and where the money goes to? That is the real business of the department.

Mr. MOTHERWELL: For the different divisions of this particular vote?

Mr. BENNETT: Just take this vote to start with.

Mr. MOTHERWELL: I confess I do not know.

Mr. BENNETT: That is what we are going to find out.

Mr. MOTHERWELL: My deputy has the information in different groups. In order to give the bulk number he will have to do some adding.

Mr. BENNETT: The minister can give them in detail from that book.

Mr. MOTHERWELL: Any particular province?

Mr. BENNETT: I should like to know how many there are altogether.

Mr. MOTHERWELL: That is some problem.

Mr. BENNETT: This country is greatly interested in it.

Mr. MOTHERWELL: Some of the names are pretty hard to get around.

Mr. BENNETT: I do not want the names of the inspectors, I want the list by provinces.

Mr. MOTHERWELL: The maritimes, five; Sackville is the centre.

Mr. BENNETT: For what purposes under this vote?

Mr. MOTHERWELL: Under seed, fertilizer, feed, insecticide and hay control acts there are five or six different subheads of which Commissioner Clark has control. Each year they are being added to.

Mr. BOYS: What are the salaries?

Mr. MOTHERWELL: The maximum is $2,200; the minimum, $1,400.

Mr. BOYS: Are they devoting themselves exclusively to this work?

Mr. MOTHERWELL: Yes, as far as I know; but they have more than one activity to engage in. These inspectors frequently cover the work involved in five acts. Under one act they will be engaged during a certain part of the year and under the other acts in other seasons. In this way they are able to administer four or five acts.

Mr. BOYS: Their whole service is given to the department?

Mr. MOTHERWELL: Yes. There are some inspectors who give only part time, three or four months, but that does not apply to those whom we are discussing. Some are engaged for six months.

Mr. BOYS: Where they get $2,000 or $2,100, do they give two, three or four months' service for this salary?

Mr. MOTHERWELL: The salary is for the year. At the present time we are in the midst of the seed business and the inspectors will be engaged in this work until the spring. Of course the staff is larger now than it will be immediately after the close of the season. When they get through with this work they will take up their duties under the fertilizer and insecticide acts.

Mr. BOYS: What portion of the year do these inspectors devote to their business?

Mr. MOTHERWELL: Their whole time is taken up.

Mr. BOYS: I understood that they were required to work only a portion of the year because their services were needed only during a certain season.

Mr. MOTHERWELL: The five acts are not administered at the same time by the same men. Take seed, for example: the work begins in the fall of the year, right after threshing, and becomes increasingly active. There are such things as seed germination and testing for variety and freedom from foul seeds, and these will engage the attention of the inspectors until seeding time in April, when the work reaches its peak. Immediately following seeding, the inspector turns his attention to the Fertilizer Act. Later on, even before the trees are in blossom, there is spraying to be done, and then the provisions of the insecticide act must be enforced. Later on, again, there is hay inspection. And so on. There is also the Feeding Stuffs Act to be administered, and that will cover the whole year inasmuch as its provisions are apt to be enforced at any time, food being a requisite to both man and beast at all times of the year.

Mr. BOYS: I thank the minister for his comprehensive explanation.

Mr. BENNETT: He might complete his statement by giving the number of inspectors in the provinces.

Mr. CHAPLIN: We have had Nova Scotia.

Mr. MOTHERWELL: In Quebec there are nine inspectors; in eastern Ontario three; in western Ontario seven; in Manitoba and Saskatchewan seven, and in Alberta and British Columbia six. They go to Calgary from these two provinces for inspectional work and seed testing, and I hope my hon. friend has taken advantage of a visit to that laboratory.

Mr. BENNETT: I have; it is well conducted, or used to be.

Mr. KENNEDY: Is there any standard that guarantees to the farmer, in case he is willing to pay for it, that there will be no noxious weeds in the seeds he buys? I have special reference to grasses and garden seeds.

Mr. MOTHERWELL: The Seed Control Act, an amendment to which may be submitted to the agriculture committee, covers that point. There is a standard in regard to both garden and vegetable seeds.

Mr. KENNEDY: Is there any standard that will guarantee to the farmer that there will be no noxious weeds in the seeds he purchases?

Mr. MOTHERWELL: Yes.

Mr. KENNEDY: What is it?

Mr. MOTHERWELL: I take it my hon. friend means, no noxious seeds as understood by the Seed Control Act. There is no such thing as a guarantee that there shall be absolutely no noxious seeds in any kind of seed. There is always bound to be a possible

slight percentage to the pound, but the act stipulates the extent of it. The act is lived up to rigidly. These are the grades: Registered, Extra No. 1, No. 1, No. 2 and No. 3. We have the maximum of primary noxious weed seeds per pound, and the various percentages are set out minutely. No. 1 registered is given as free from noxious weeds.

Mr. KENNEDY: That means that if the farmer buys No. 1 registered grass there will be no noxious weeds in it?

Mr. MOTHERWELL: My hon. friend knows that "noxious weed" is defined by the provincial Weed Control Act and there might be foreign seeds in the lot which would not be noxious. There is a list published giving the noxious weeds.

Mr. McMILLAN: Is that list available for distribution in pamphlet form?

Mr. MOTHERWELL: Yes.

Mr. KENNEDY: I want to make this point, that if there is not a standard—

Mr. MOTHERWELL: There is an absolutely definite standard.

Mr. KENNEDY: If there is not a perfect standard it is very important that the department make every possible effort to work one out. I know of nothing more discouraging to men trying to farm well and farm clean than to pay a big price for seed only to find that the seed contains some noxious weed. The inspector who comes around, who may be either a municipal or a provincial man, does not allow very much for the fact that those weeds have come in in spite of all the care the farmer has taken to avoid them. If we are going to have clean farms in Canada, or if we are going to keep those parts clean which are already in that condition, it is absolutely essential that some standard be set up either by the federal government alone or in co-operation with the provincial governments. A standard should be established so that any farmer may be sure that he is getting absolutely clean seed to start with if he pays the price, and from that he can develop seed for his whole farm. If under the act governing the sale of seed there is the possibility of a farmer being charged the highest price for the best standard, only to receive seed which is not absolutely clean, I fail to see how we can look forward to a time when agriculture in this country will be free from the blight of noxious weeds, because a few are enough to do the damage.

[Mr. Motherwell.]

Mr. MOTHERWELL: My experience with seed is that it does not matter how clean it is or how many certificates it has, the farmer is well advised to keep looking around his fields for some new weed to appear. As he goes for his Sunday stroll or for his evening walk, he should keep his eyes open because there is always the possibility of one stray seed being in a bag, and that is enough to do the trick. Here are some of the most noxious weeds which we are up against; bladder campion, dodder, field bindweed, Johnson grass, ox-eye daisy, perennial sow thistle, white cockle, wild mustard and wild oats. Some of the secondary noxious weeds, which are permissible to a certain degree where the others are absolutely prohibited, are ball mustard, blue weed, Canada thistle, chicory, couch grass, cow cockle, docks, false flax, hare's-ear mustard, night-flowering catchfly, purple cockle, ragweed common, ragweed great, ragweed perennial, ribgrass, Russian thistle, stickweed, stinkweed, tumbling mustard, wild carrot and wild radish. Those are the less objectionable weeds, and you will notice that a certain amount, depending upon the grade, is allowed in the sample. I think my hon. friend has farmed long enough, however, and has bought enough seed to know that you cannot be absolutely sure that there will not be one weed seed in a bag of seed which should not be there, but it is supervised and certified as far as it is humanly possible to do so. Human agencies always have their limitations, and that applies to this seed inspection as well.

Mr. CAMPBELL: I would like the minister to give us some information about the experimental work carried on in regard to vermilion wheat.

Mr. MOTHERWELL: Those experiments were conducted last year, and the results were so unsatisfactory that I do not believe the experiments have been continued. A certain amount of vermilion wheat did get into trade channels, however, and a very considerable acreage was sown before it was discovered to be such a poor baking wheat. This fall a new variety of wheat trickled down to Winnipeg and was observed by the inspection department there as something new and not very desirable. They sent a sample of the wheat and the flour to the Dominion cerealist and asked him to identify it, and it turned out to be vermilion wheat.

Mr. BANCROFT: Are the seed inspectors the men who look after the inspection of binder twine?

Mr. MOTHERWELL: Yes.

Mr. BANCROFT: Then at this juncture I should like to state to the minister how much I appreciate the fact that these inspectors have done very good work this summer in connection with the inspection of binder twine. Last year I had occasion to call attention to the fact that in some cases binder twine was being sold short in length and light in weight, and I am pleased to say that that has been very carefully looked after this summer. So far as I have been able to learn, no twine has been sold under the length allowed by law.

While I am on my feet I should like to remind the minister again that the personnel of the advisory seed board should be increased, and that there should be three farmer representatives from the three prairie provinces instead of one, as is the case at present. Now there is only one representative for Manitoba, Saskatchewan and Alberta, and he is appointed for one year only. The member this year is Mr. Mountain, of Solsgirth, Manitoba; next year there will be a gentleman from Saskatchewan; the year following someone from Alberta will be appointed, and the year after that it will come back to Manitoba. One member is not enough for those three provinces; pure seed grain is of too much importance for that. At the very least we need one farmer representative on that board from each of the three prairie provinces, and I also suggest to the minister that they be appointed for three years instead of one. In one year a man just gets nicely into the work when he has to quit, and a new man starts all over again.

Mr. MOTHERWELL: The remarks of my hon. friend are quite in order, but I might tell him that within the last ten days another farmer representative was appointed to that seed board. We find some difficulty in getting the proper relationship between the various members of the board as representing different phases of the seed trade. We have representatives on that board from the seed merchants, the seed growers and members of the seed branch of our own department as well. If you increase one you have to increase the other, and every one who has had anything to do with such a board knows that the larger it is the less satisfactory is the advice you receive. If you had a compact advisory board, however, you get much greater efficiency and good, sound advice. We have endeavoured to maintain that proper harmony and relationship between the different interests represented on that board by appointing one more farmer representative within the last ten days.

Mr. BANCROFT: One more from the prairie provinces?

Mr. MOTHERWELL: Yes, from Alberta, I believe. I have forgotten his name, but I believe he is a very good man.

Mr. ROWE: Could the minister tell us what proportion of this appropriation is used in the distribution of free seed throughout the Dominion?

Mr. MOTHERWELL: None. That is done usually through the Department of the Interior. Sometimes my department does a little, but there is practically none of that done now.

Mr. ROWE: Has the Department of Agriculture taken any action to encourage the use of fertilizer throughout the Dominion?

Mr. MOTHERWELL: We are always experimenting with it.

Mr. ROWE: Approximately what amount of this appropriation is used for this purpose?

Mr. MOTHERWELL: We are always conducting experiments in reclaiming soil. We have in eastern Canada a system of prizes, running up in the aggregate to two or three hundred dollars, to encourage the use of fertilizers by those who are not using them freely. My attention has been brought to such cases in the maritime provinces and Quebec, and I presume there are some in this province. We encourage the farmers to try the fertilizers. Some people have no faith in fertilizers, but if they will only try them once or twice they usually follow it up. I might draw the attention of my hon. friend to the fact that in addition to the ordinary sources of artificial fertilizer we have a synthetic fertilizer plant near Niagara Falls—my hon. friend possibly knows of it—where nitrates are extracted from the air through the medium of hydro power, which is becoming more and more popular. It has to be carried on with great care because of the possible injury to plant life unless applied to the soil two or three weeks before vegetation appears.

Mr. CHAPLIN: Is there any fertilizer from that plant used in Canada?

Mr. MOTHERWELL: Most of it goes to Buffalo because they are more familiar with the use of it there.

Mr. CHAPLIN: I understood the minister to say a minute ago that they were using that fertilizer in Canada.

Mr. MOTHERWELL: I did not say we were using it in Canada, I said it was made

in this country. Most of it is shipped to the United States, because they are more familiar there with the use of that particular kind of fertilizer.

Mr. CHAPLIN: All of it is used in the United States.

Mr. MOTHERWELL: I do not doubt that. I wanted to draw the attention of my hon. friend, without unnecessarily irritating him, to the fact that it was made in Canada.

Mr. ROWE: I should like to ask the minister if the department has not supplied fertilizer at cost, or given it away, in the poorer parts of the Dominion? Has that not been part of a policy adopted by the department? If so, how much was given away in 1926?

Mr. MOTHERWELL: Grants of certain quantities of fertilizer have been made to those who have been conducting certain experiments.

Mr. ROWE: How many carloads were given away by the department in 1926 and 1927?

Mr. MOTHERWELL: My deputy informs me that in the aggregate $2,000 worth was given last year in the form of prizes to those who would conduct certain experiments suitable to their particular localities and report to the department. There is still considerable objection on the part of certain farmers, to using artificial fertilizer, and this policy has the effect of familiarizing them with its use.

Mr. ROWE: The minister has not yet answered my question. I should like to know how much has been given to each province.

Mr. MOTHERWELL: My deputy informs me that he does not happen to have that information.

Mr. MILLAR: What penalty is applied in cases where binder twine offered for sale is not of the specified length per pound, and how many such cases were there in 1927?

Mr. MOTHERWELL: In nearly all these cases there is a penalty. I do not happen to remember how many cases there were.

Mr. BENNETT: The minister said the expenditure had been $375,000, and he gave the number of people that were employed as about forty. That certainly is not the number of employees that are doing inspecting work under this item. The number must be nearer one hundred than forty, when $375,000 were spent. I should like to get exact information as to the number of people employed.

[Mr. Motherwell.]

Mr. MOTHERWELL: Inspectors?

Mr. BENNETT: What I am trying to get at is how many people are involved in the expenditure under that vote.

Mr. MOTHERWELL: That is quite another question. My hon. friend is getting interested now in stenographers. I understood he was not.

Mr. BENNETT: That is all right. The minister is not going to get away with that cheap sort of talk.

Mr. MOTHERWELL: I made it quite plain.

Mr. BENNETT: As long as my hon. friend realizes his responsibility and acts accordingly he will be treated as he should be, but if for a moment he forgets it he will have reason to remember that we are here.

Mr. MOTHERWELL: Ah!

Mr. BENNETT: The minister may as well understand that now as at any other time. We asked him how many people were in receipt of pay under that vote. I asked for the number of inspectors and the numbers were given me—less than forty in all. Now there is a suspicion in this country that very large sums of money are being spent to provide employment for people who are not very useful in the public service. Here is an item of $375,000, a substantial sum of money, and that sum is being expended for the purpose named by the minister, namely the providing of inspectors and those associated with them in the public service. Now all I ask—and we have a right to know, whether they are ward heelers or not—is how many drew pay out of that $375,000.

Mr. MOTHERWELL: If my hon. friend will take the trouble to read Hansard tomorrow—I do not suppose he will have time, —he will find that he asked for inspectors.

Mr. BENNETT: I did, yes.

Mr. MOTHERWELL: Now he is enlarging the question.

Mr. BENNETT: Yes.

Mr. MOTHERWELL: Well then we will proceed to answer it. What is the kick about?

Mr. BENNETT: The kick is at the endeavour to make a joke of what was a legitimate question.

Mr. MOTHERWELL: If we did not make a joke now and again what would become of us?

Mr. BENNETT: I will admit that the hon. gentleman indulges in a joke a sufficient number of times, but there is no necessity of going further.

Mr. MOTHERWELL: My hon. friend has the privilege of changing his question. He has done so and it is my duty to answer it. That is where we stand now.

Mr. BENNETT: Very well.

Mr. MOTHERWELL: Then we will enumerate all the employees this time down to the janitors.

Mr. CHAPLIN: And the heelers.

Mr. MOTHERWELL: Do not let us forget that salaries do not cover the whole of this vote, but that it includes seed fair grants and many other things. While my deputy is counting these up I should like to appeal to the hon. member for Selkirk (Mr. Bancroft) if, from his experience in this inspectional work, we are not disposed to be undermanned rather than overmanned. As a matter of fact I have been conscious for some time since my hon. friend drew my attention to some shortcomings in the inspectional work in connection with binder twine, that we have not had sufficient staff to do the work as well as we would like to do it. I do not know whether the hon. member for Selkirk is present or not. That was the situation. What object have we in padding the list of employees? Until we find some specific case where the department is overstaffed, let me say with all respect that my invitation stands. I should like to be shown where they are and I shall be just as willing as any other hon. gentleman to get rid of them, but until you find them that cannot be done. This appropriation is not devoted entirely to salaries; it includes seed fairs throughout the Dominion. My deputy informs me that there are about ninety-two employees.

Mr. BOYS: Can the minister state how much is for fairs and how much for salaries?

Mr. MOTHERWELL: The total appropriation of $375,000 is distributed as follows:

General administration	$30,000
Seed production and markets	56,000
Administration of Inspection and Sale Act	4,000
Administration of Agricultural Pests Control Act	5,000
Administration of Seeds, Feeds and Fertilizers Act, By districts—	
Maritime provinces	28,000
Quebec	42,000
Eastern Ontario	24,000
Western Ontario	59,000
Manitoba and Saskatchewan	55,000
Alberta and British Columbia	49,000
Grant to Canadian Seed Growers' Associations	13,000
Purchase of seed stains	2,500

That is because in certain countries to which we export our seeds, the law requires that a certain percentage of the seed be stained so as to identify what country it comes from.

Fees for chemical analyses of feeding stuffs, etc., $7,500.

The increases asked for in this connection are to cover statutory salary increases, and to provide for the administration of the new Agricultural Pests Control Act, and the additional amount necessary for the payment of fees for the chemical analysis of samples of insecticides and fungicides. The item for seed production and markets $56,000, includes the seed fair item. That is given under certain regulations, the money being paid to the Department of Agriculture of the respective province and transmitted by them to the seed fair on condition that the province pays an equal amount to what we do for the seed fair. That practice has been in vogue for the last fifteen years.

Mr. TOLMIE: To whom is this amount paid for the analysis of feeds?

Mr. MOTHERWELL: We have not sufficient chemists of our own to do this work, without taking up too much of their time, and there is a certain number of what we call approved chemists who charge a given rate of fees. These samples are submitted to them and this item is to cover their fees.

Mr. TOLMIE: Are they located throughout the Dominion?

Mr. MOTHERWELL: Yes. Very much the same principle is involved in this as that with respect to approved veterinary surgeons.

Mr. BENNETT: And they are approved by a patronage committee?

Mr. MOTHERWELL: I should be glad if my hon. friend could find out some patronage, because I have been unable to find it.

Mr. BENNETT: I know the minister has been looking hard for it.

Mr. MOTHERWELL: I admit there is some left but it is not here. It is left in the most vicious form of patronage outside of the control and jurisdiction of this parliament. That is where it is and my hon. friend knows it. My hon. friend and I would probably be agreed on that. As regards the selection of these gentlemen I do not know one of them and I never saw them. The advisory board in each case recommends them and they are appointed by order in council. They are engaged then to charge not more than a certain fee. I do not know one of them in

all Canada and we are too busy to inquire into the political affiliations of the men who are doing work for us. Perhaps my hon. friend will not believe me, but such is the case.

Mr. BENNETT: If my hon. friend says so, I will believe it.

Mr. ROWE: The minister in answer to a question said that the Department of the Interior distributes seed grain throughout the Dominion. I fear this must be an error on the part of the minister. When did the Department of Agriculture transfer that responsibility to the Department of the Interior?

Mr. MOTHERWELL: Perhaps it has not come to my hon. friend's attention that, ever since homesteading began in the west, a certain quantity of seed grain has always been handled by the Interior department. This is now being done by the Department of Immigration since it has been separated, because homesteaders are under the care of the Department of Immigration until such time as they acquire their patent. For forty years or more homesteaders have been supplied in times of excessive drought with seed from the Department of the Interior, the same department from which they get their homesteads. In 1914 this was extended to other farmers than homesteaders.

Mr. ROWE: That is confusing. I cannot see where the distribution of seed grain for the development and encouragement of the growing of better grain by the farmers is connected with the Department of Immigration and Colonization or with the Department of the Interior. This should surely be an expenditure under the Department of Agriculture. This seed grain is distributed not only to those sections of the country which are still under colonization but throughout the whole Dominion. I merely asked the question as to the approximate amount of expenditure in this appropriation for the distribution of seed. This expense surely belongs to the Department of Agriculture.

Mr. MOTHERWELL: I think what my hon. friend has reference to is those small samples of five pounds that we gave at one time. This began to be badly abused. A large family would double up and put in a number of orders until they would get three or four bushels. Perhaps they would not do this in one family, but they would go around and send in names. Another objection is this: If a man sows just five pounds of seed, my hon. friend knows it is more difficult to look properly after a small plot sown with five pounds of seed than to look after five acres. The seed is put in a little corner by itself; it is exposed; it is not worth while going round with the binder, and it may be left a little too long. People do not like to thresh it in the threshing machine. This plan was found to be a nuisance and the results fell short of the idea of those who originated it. I do not condemn it, but it was played out and it was abandoned eight or nine years ago, long before I took office. Since then we have developed new varieties which are sold at a fixed price, the same price to all. Reward wheat is sold at three dollars a bushel at point of shipment.

Mr. ERNST: As regards these seed fairs, to what regulations must a fair conform, roughly, in order to qualify for the grant? What is the amount of the grant? How many such grants were paid to seed fairs in Nova Scotia last year?

Mr. MOTHERWELL: Conditions have changed since I was a provincial minister, but the practice used to be that there should be a certain amount of standing grain competition going with the seed in the bag. That has been abandoned. The seed and standing grain competitions have passed away. The only condition is that the provincial government contribute a corresponding amount, then they take the supervision of the fair. As to the number of fairs in Nova Scotia, my deputy tells me that he does not recall any. The provincial government recommends the fairs and draws the matter to the attention of the federal authorities. That is my understanding.

Mr. ERNST: Do I understand the grant is given only to seed fairs exhibiting these seeds, and that they would not be given to fairs exhibiting seed potatoes or other vegetables?

Mr. MOTHERWELL: Oh, yes, there is great latitude in the interpretation of the seed fairs.

Mr. ERNST: Suppose a fair exhibited seed potatoes, to what regulations would they have to conform in order to comply with the grant?

Mr. MOTHERWELL: All these terms are sometimes rather mystifying. For instance, seed fairs include potatoes, garden seeds, et cetera. I think my hon. friend has in mind the winter fair in the city of Amherst, which represents the three maritime provinces.

Mr. ERNST: No.

Mr. MOTHERWELL: Well, there is one there and there is a seed fair associated with

the winter fair. The winter fairs are not only live stock fairs, as they used to be ten or fifteen years ago, but they are branching out and becoming more and more seed fairs as well, and those grants are paid on the basis of what the exhibition association and the provincial government themselves put up.

Mr. ERNST: The minister knows that in most parts of Nova Scotia grain is comparatively unimportant as compared with some of the other commodities which are grown. I had in mind a number of agricultural exhibitions which are held throughout the province each autumn, in which seed of certain kinds is displayed. The seed of potatoes forms an exhibit in most of them, and other vegetables also, and I was wondering how those fairs could bring themselves within the provisions of the grant, so as to qualify for it.

Mr. MOTHERWELL: I understand that the seed fairs my hon. friend refers to are part of the small fairs. There is no grant in such cases. We try to confine our federal grant to fairs of a reasonable size. In the case of the summer fairs, we have our usual "A" and "B" fairs. These are classified according to the size, the prize list and the scope of their activities, whether they are provincial or interprovincial. The small fairs, such as are held in many provinces receive no grant at all. The provinces do not recommend them, and we are governed by what the provinces recommend.

Mr. ERNST: I have not got an answer to my question yet. I realize that the province has to recommend them, but I cannot quite understand the minister recommending the grant merely on the recommendation of the province. There must be some regulation with which it has to conform. The fairs to which I allude are of considerable size and importance, and I want to know how those fairs could qualify, if at all.

Mr. MOTHERWELL: The only way they could qualify would be by giving a sufficiently large prize list to attract a large number of exhibitors. A great deal is done on the recommendation of the provincial governments. There is a certain pliability and flexibility in the matter, but when the provincial government thinks it is of sufficient importance to warrant having a fair, we recognize it and O.K. it. I think that is the better way. We would require a larger staff if we were to undertake to exercise supervision and decide what fairs were eligible and what were not. In a great many of these cases we accept the recommendation of the provincial authorities.

Mr. ERNST: If the provincial government recommends a fair, does the minister make no inquiry?

Mr. MOTHERWELL: If it were outrageously out of the way, we might. The prize list is a pretty good indicator of the character and scope of the fair and of the interest that would be taken in it by the public.

Mr. ERNST: I am at last getting some approximation to an answer. I should like to draw attention to the matter of these exhibitions in the rural districts. The winter fair at Amherst is important to a large community, but the average farmer who might be interested does not get there, nor does he exhibit his goods. If the minister wanted to do a real service to the maritime provinces—which are entirely different from the west—he would give some encouragement in the way of a grant in order to foster the development of seed. I do not know what the regulations are. Apparently the minister looks at the prize list and arbitrarily decides whether or not the grant will be given, but if the regulations which he at present has improvised do not permit of the grant in such cases I wish he would improvise them further in order that a grant may be given.

Mr. MOTHERWELL: The hon. member wants the activity to be extended to a wider range.

Mr. ERNST: Yes, to do some practical good to the farmers of the maritime provinces.

Mr. MOTHERWELL: To be quite candid, we are carrying out more activities of a strictly provincial nature in the maritime provinces than in any other part of the country.

Mr. ERNST: That may be quite true, but encouragement is needed and I think the activities should be doubled.

Mr. MOTHERWELL: I will have a talk wth my hon. friend some day and see if I can meet him.

Mr. MILLAR: Is the minister now prepared to give me the information I asked for a moment ago in regard to the manufacture of binder twine not up to standard, and the number of cases in which fines were imposed?

Mr. MOTHERWELL: The maximum fine is fifty dollars, the minimum, ten dollars. A number of fines have been imposed, but we cannot recall how many. There was a tre-

mendous laxity in the quality and quantity of binder twine ten or fifteen years ago, but to-day there are very few of what one might call deliberate infractions of the law. Very often a word of caution is sufficient to prevent a second failure to comply with the statutory requirements.

Mr. MILLAR: Is there any confiscation of the binder twine?

Mr. MOTHERWELL: I do not know.

Mr. COOTE: Is any amount included in the vote for a grant to the Seed Growers' Association? If so, how much?

Mr. MOTHERWELL: Yes. We find the Seed Growers' Association, of which Major Strange and others are very active members, are doing such excellent work that this year we increased the grant two or three thousand dollars to encourage them in their work. The total grant is now thirteen thousand dollars. I think the money is well spent.

Mr. COOTE: Is there a weeds branch in the minister's department? If so, are their activities covered by this vote?

Mr. MOTHERWELL: No, that is a provincial matter. Nevertheless about once every ten years the seed branch get out an illustrated bulletin.

Mr. COOTE: I understood there was a seed and weed branch; probably I have been misinformed. In western Canada we have a serious problem confronting us with regard to noxious weeds growing on Dominion government land. At the United Farmers of Alberta convention about a year ago a resolution was passed requesting the government to make provision for the eradication of noxious weeds on Dominion government land. A copy of this resolution was sent to the minister, and I think his reply was to the effect that he would be glad if we could suggest to him any way of taking care of such noxious weeds. It seems to me rather peculiar that the government, while issuing so many bulletins instructing farmers how to eradicate noxious weeds, should be so lax in respect to its own property. In all seriousness I would suggest that the minister should spend a little money on devising ways and means of taking care of noxious weeds on Dominion government lands in western Canada. I have in mind one patch of sow thistle growing on the banks of the Old Man river in the town of Macleod, the property of the Dominion government. These weeds have been growing unchecked for several years, and the prevailing westerly winds carry the seed out toward the Lethbridge northern irrigation district, on which the province has guaranteed bonds to the extent of over five million dollars. The people in the district have a large enough problem on their hands to make a financial success of the venture without having to contend with perennial sow thistle from Dominion government land. One hon. member near me suggests that we might call it federal sow thistle. I think the minister will agree with me that it is probably one of the worst weeds we have to contend with. Certainly it is a shame that the Dominion government will not provide means to take care of these noxious weeds on their own land. We can deal with farmers in the district by plowing down their crop if they allow noxious weeds to grow unchecked, but we cannot apply this drastic treatment to the Dominion government. Undoubtedly the Dominion authorities might very well spend a little money to take care of their own noxious weeds before offering advice to farmers on the subject. We have absolutely no way of protecting ourselves against noxious weeds growing unchecked on Dominion government lands, and I do hope that the minister will take the necessary steps this session so that before next session this evil may be checked.

Mr. MOTHERWELL: I do not want to hide behind the Department of the Interior, but really my department has no public lands; these are under the control of the Department of the Interior, and that is where my hon. friend should apply. If there is any way of dealing with this matter through that department I shall be glad to help him. Take the bird sanctuary at Quill lake, which I understand has recently been let for pasturing. As everyone knows, it is swampy. I visited the place a year ago, and I found that sow thistle is getting a hold in the moist ground, in fact it flourishes under such conditions, and without employing an army of men to dig it out by hand I do not know how you can deal with it. There were crops growing on the surrounding land. The lake was swarming with duck, and all the stooks in the vicinity were half eaten up. If I remember rightly, I recommended to my colleague that something be done looking to the closing of that sanctuary. As I say, it has recently been let for pasturing purposes, but that will not solve the eradication of the sow thistle there. My hon. friend I understand is a practical farmer, so he knows that this weed has an under-

ground root stalk and just revels in moist land. What are you going to do about it? If my hon. friend will give me a recipe for the eradication of that sow thistle I will pass it on to my colleague.

Mr. COOTE: It seems from the minister's statement that I should be discussing this matter with the Minister of the Interior (Mr. Stewart), but I take it that the Minister of Agriculture is the agricultural adviser of his colleague.

Mr. MOTHERWELL: I am ready to sit at my hon. friend's feet and learn on that question.

Mr. COOTE: I am sure now that I have his sympathy, and that I shall have at least his moral support in endeavouring to get the Minister of the Interior to take care of this problem. The local provincial weed supervisor—I do not know whether that is his correct title—has made several examinations of the patch that I am speaking of, and from what he told me I think he is willing to undertake the necessary steps to eradicate the sow thistle. I think the work could be done under a thousand dollars, and it seems to me the Dominion government should be prepared to spend this sum to do away with the nuisance on their own land. I will take the opportunity of discussing the matter with the miinster in his office some day and I think possibly I may be able to suggest to him a way in which this difficulty can be overcome. I would ask his support for the proposal I make.

Mr. BANCROFT: Does my hon. friend suggest that the people in his constituency have discovered a means of eradicating sow thistle?

Mr. COOTE: One method recommended by the provincial department of agriculture was covering the patch of sow thistle with tar paper for a year or two. That would smother the weeds.

Mr. MOTHERWELL: We will do our best in the matter.

Mr. BENNETT: I should like the minister to direct his attention to the question which has been touched upon by my hon. friend (Mr. Coote). This parliament has jurisdiction over agriculture to a limited extent, and the provinces also exercise jurisdiction in this respect. The minister was at one time Minister of Agriculture in the province from which he comes and he now holds a similar portfolio in the federal government. Now my observation is this, that vast sums of money are voted here which would accomplish much greater results if their expenditure were more or less directed by the local authorities. In most matters centralization has failed, and any endeavour to standardize agriculture must necessarily fail in Canada as it has done elsewhere. My hon. friend from Macleod has discussed a matter to which I was going to refer. The Dominion government owns large areas of land in western Canada: it has Indian reserves, bird sanctuaries, forest reserves and other lands, some of which are occupied while others are vacant. Surely when the provincial authorities are endeavouring to deal with weeds and various other problems incident to agriculture, and are confronted with the difficulty of lands owned by the Dominion not being cared for, it is obvious that the entire effort is lost. The Quill lake reserve, to which the minister has referred, is a striking illustration of the point I desire to make. Of what value is it to spend federal money to bring about the results which the minister so earnestly desires if the provinces, in their efforts, find themselves absolutely unable to approach federally-owned lands, and if thistles and noxious weeds of various kinds flourish, with the result that the whole district is destroyed? Of what use is the expenditure of federal money when the federal government has not done its duty in relation to these lands? That is the position with respect to some Indian reserves in Alberta, and this is true also of other federally owned lands. I think the minister would be doing a great service to the country if, in his approach to the problems with which he has to cope, he regarded his duties as Minister of Agriculture as being of a national character, and correlated the efforts of his department with those of the departments of agriculture in the various provinces. The department of agriculture in Quebec, for example, has to deal with problems entirely different from those that face the department of agriculture in Alberta; and where you have federally owned lands in the western provinces in connection with which there are all the difficulties to which the minister has made reference, how can we hope to eradicate any pest from a district adjacent to such lands if the federal government does not devote its attention to the territory under its jurisdiction? That is a real, live problem. Farmers have spoken to me about it and I know that the provincial authorities have from time to time come right up against it. I myself have seen, travelling over the country in automobiles, and sometimes within the right of way of the railways, large areas of noxious weeds, seeds being disseminated over the surrounding soil; and the pest has persisted notwithstanding the best efforts of the provincial authorities, simply because the federal government has not

discharged its responsibility with respect to its own property or to those matters over which it exercises sole control.

I submit that the function of the federal department of agriculture is in a large sense national. It never was intended that the department should undertake detailed operations affecting agriculture in the provinces, and even though it makes grants in aid of work that may be done by the provinces, with assistance from the Dominion, the federal department should not engage in these small activities which I have mentioned, if they fail to look after their own property, with resultant injury to the work done by the provinces, especially in the west. I do not expect the minister to express an opinion at the moment, but I should like him to consider the problem that confronts the department of agriculture from the standpoint of a greater degree of decentralization, and an increased effort to discharge the broad national duties that rest upon the department in the matter of pure seed.

With regard to other matters to which the minister has alluded, it is perfectly clear that this department should exercise jurisdiction. But when it comes to the question of inspection and matters of a kindred nature, there is the danger that a situation may arise similar to that which was created with respect to eggs. The courts will declare that the legislation is invalid because it interferes with civil property rights within the jurisdiction of the provinces. My observation leads me to the conclusion that an effort is being made by the federal Department of Agriculture to pay too much attention to work that really constitutes an interference with the industry, at the expense of the local authorities who are more competent and are better able to deal with the situation. And this apart from the first point I made, namely, the failure of the federal government to discharge its duties with respect to federally owned property, with resultant danger, indeed injury, to adjoining lands, whether privately or publicly owned.

Mr. MOTHERWELL: I do not want my hon. friend's remarks to pass without consideration. I thank him for the suggestions he has offered. I would point out, however, that there are some things which cannot be helped. My hon. friend (Mr. Manion) is sitting opposite, and as a medical man he knows that so far no cure has been found for cancer. Are you going to reprove or to hold up to ridicule the whole medical fraternity because such a cure has not yet been discovered? If any farmer who is familiar with the sow thistle can suggest a recipe for eradicating it where it is found in low-lying soil, wet enough to encourage its growth and not dry enough to plough, then it seems to me his fortune is made. I do not mind admitting that I have no remedy to offer. Just as the medical man knows that there is no cure for cancer, so I do not pretend to be able to do the impossible.

Mr. BENNETT: I did not suggest that.

Mr. MOTHERWELL: There is no reason, however, why we should not persist in our efforts to find some means of eradicating the pest. The problem is a serious one which I have been studying ever since coming here, as indeed I did in Regina. The sow thistle develops in cultivated land more rapidly than elsewhere. The farmers, of course, like to pass the buck to the government, but this matter can be dealt with only by cooperation. The farmers will say, "What is the use of our cleaning up so long as the Dominion Government's lands are polluted?" And I presume the federal officials will take a similar attitude. Everyone knows that the pest exists and we can only be thankful that but seventy-five per cent of it is fertile.

With regard to the overlapping, that question came up at the interprovincial conference, and it must be admitted that there was a good deal of overlapping many years ago. The Hon. Mr. Hoadley brought that question up, and after it was discussed everyone agreed that very substantial progress was being made both by the federal government and by the provinces in cutting out the overlapping.

Mr. BENNETT: Perhaps the minister did not hear me; I was speaking with respect to federal property.

Mr. MOTHERWELL: There was another matter which I took no chance of forgetting; that is, interference with agriculture.

Mr. BENNETT: No, no.

Mr. MOTHERWELL: Yes, I remember that. My hon. friend said there was a great tendency on the part of the government to interfere with agriculture, and I think my hon. friend referred to the standardization of products both for export and for home consumption. Of course you have to interfere, but we never interfere until there is a reasonably strong sentiment in the community for the action we propose. Invariably we start with a voluntary system, as we did in the grading of cheese and butter, until about three-quarters of the people concerned are carrying it out. Then it is made compulsory, so there is no unnecessary interference. Ask any of the members from the maritime provinces if there is any unnecessary interfer-

ence now with their grading. We do not perform these services until we have a strong public sentiment behind us; there would be absolutely no use doing these things in any other way. If my hon. friend were as familiar with this work as he is with the practice of law he would realize that you cannot do this work without some interference any more than you can make omelettes without breaking eggs.

Mr. BENNETT: My hon. friend has misunderstood me. I was not talking about interference in that sense; I was talking about the federal power as distinguished from the provincial power, and I asked whether my hon. friend did not think the federal Department of Agriculture should at least see to it that federally owned lands observe the law with respect to noxious weeds, rather than have them as pest centres in communities which are otherwise free.

Mr. MOTHERWELL: I will take that up with the Minister of the Interior.

Mr. ROSS (Moose Jaw): You could spend the entire revenue of the Dominion of Canada trying to clear up the federal lands, and my hon. friend the leader of the opposition knows that. In western Canada years ago lands were opened up which never should have been touched, and now these have been abandoned. They are located all over the prairie provinces; they are covered with weeds, and you could not possibly clear them up. In the case mentioned by my hon. friend (Mr. Coote), probably that is a little plot of land owned by the government which could be easily cleaned up by the people of that town, but if you try to clear up every abandoned homestead and pre-emption in Manitoba, Saskatchewan and Alberta, together with the road allowances and all the lands belonging to the Dominion government, you could spend the whole revenue of this country in one year.

Mr. MOTHERWELL: And then not accomplish your purpose.

Mr. COOTE: As I said before, I did not want to delay this item, but I must reply very briefly to the remarks of the minister. In this particular case I have heard the weeds were started through the practice of some person or some firm in the town of Macleod of throwing on this vacant property straw which had come in a packing case. Sow thistle appeared where these people were in the habit of doing that, and it has spread from that Dominion-owned land to the district surrounding. I do not want to be misunderstood when I say this piece of property could be taken care of very easily; it is not very large and could be cleaned right up. It is larger than it was two years ago, of course, but even now it could be dug out by the roots, and in a few years the good done by removing that source of contagion would amount to thousands of dollars. The only two patches of sow thistle which amount to anything in my constituency, so far as I know, are on Dominion-owned lands; one is on an Indian reserve and the other on this property in the town of Macleod. The superintendent of Indian Affairs is doing his best to look after the sow thistle on the Indian reserve, and I thank him for it. I believe it is being dug out by the roots, and I think the same should be done in connection with this property in Macleod.

Mr. McLEAN (Melfort): I am inclined to think that this whole discussion is slightly out of order; sow thistle does not come under this item at all. It may be true, as the leader of the opposition has said, that a good deal of government land in covered with sow thistle and other weeds, but the Department of the Interior is ready at all times to cooperate with the local authorities in controlling these weeds. There are places where that is very difficult to do, but in regard to the land in Macleod I believe my hon. friend would find the Department of the Interior willing to turn over that land to the town for public use, and the town could clean it up. It is only reasonable that that should be done; the town was responsible for the pollution and they should clean it up. I believe that to be the practice of the department everywhere, and why it is being discussed under this item is more than I can imagine.

Item agreed to.

For experiments in dehydration of fruits and vegetables, $10,000.

Mr. BARBER: I should like to ask the minister for the total amount spent to date in carrying out these experiments, in what districts throughout Canada the experiments have been carried on, and the varieties of fruit dealt with.

Mr. MOTHERWELL: We have had three experimental dehydrating plants, one at the central farm at Ottawa, one at Grimsby and another at Penticton; we have had very good results, and a number of private commercial enterprises have sprung up. I believe some of these are located at Vernon and Kelowna, and are doing very well. We import enor-

mous quantities of dehydrated fruit, and we can very well supply a great deal of that quantity ourselves, but for some reason or other this has not been done, which is one reason why the department has spent a certain amount of money in developing these plants. We have a dehydrating committee in charge of this work, consisting of Mr. E. S. Archibald, B.A., Director of Experimental Farms, chairman; George E. McIntosh. Dominion Fruit Commissioner; F. T. Shutt, M.A., Dominion Chemist; W. T. Macoun, Dominion Horticulturist, and C. S. McGillivray, Chief Canning Inspector. A number of these gentlemen have been overseas attending a research conference, and Mr. Archibald has just returned from attending a dairy conference in the west. They have not had an opportunity, therefore, to lay out a program for this winter, and unless something more advantageous turns up we expect to go through with the same program. My friends from the maritime provinces will be interested to learn that a number of gentlemen came here from Berwick in Kings to see what could be done and if any assistance could be obtained in the establishment of a plant of this kind. Our vote was exhausted at the time, however, so we could not give them any money, but we put them in touch with a competent engineer and gave them all the information we had. Like many other enterprises they did not have sufficient funds, and their plant was not as successful as they would have liked, because they were unable to put in proper insulation, with the result that it did not do as well as they expected. We have it in mind to assist that plant and to help put it on its feet with this grant. The dehydration committee has a number of proposals before it. They did well down there but suffered from a lack of money. They did not have quite enough capital to operate the plant and we did not have any money at that time to assist them.

Mr. BARBER: What has been the amount expended in carrying out these experiments?

Mr. MOTHERWELL: Fruits that have been dehydrated are: apples, apricots, blackberries, blueberries, crabapples, cherries, raspberries, strawberries, gooseberries, loganberries, peaches, pears and plums; and vegetables. I think the process is going to be quite successful.

Mr. BARBER: The minister has not answered my question as to what amount has been expended in carrying out these experiments.

[Mr. Motherwell.]

Mr. MOTHERWELL: The house at first voted $15,000 and we have not exceeded the appropriation. This is the fourth year for the work, and the amount now asked for is $10,000. We have no idea, I think, of extending the system to the Okanagan valley. There are two very good plants in British Columbia, one at Vernon and the other at Kelowna, but I have not visited them since they were established. I should like to see a similar plant established in the Annapolis valley. They did start a commercial plant there but through lack of capital it is not as successful as it should have been, and I feel we might possibly help them out in the matter of a proper dehydrating equipment or something of the kind, so as to help them to get on their feet.

Mr. BARBER: In the Fraser valley we have looked for something in the line of experiments on the part of the department in the dehydration and crystallization of fruit. A large quantity of dehydrated and crytallized fruit is being imported into the country at the present time, whereas tons of fresh fruit are going to waste in the fruit districts of the Fraser valley. We believe that such fruits as loganberries, raspberries, strawberries, cherries and peaches could be handled if we had some process of dehydration or crystallization. The minister has referred to commercial plants that have failed. We have had commercial plants start in the district referred to and they have failed also. I understood that the object of this vote was to develop some process by which a dehydration industry could take care of the fruit and produce of our growers which otherwise would be wasted. To-day tons of fruit are being wasted which could be utilized if we had some process for the dehydration and crystallization of fruits.

Mr. MOTHERWELL: We shall be glad to look into the matter of crystallization. My hon. friend agrees that there is no further necessity to experiment in the matter of the dehydration of fruit on the Pacific. It is the crystallization that he is speaking of now, is it not?

Mr. BARBER: I do not think there have been any experiments in the dehydration of the small fruits.

Mr. MOTHERWELL: Oh, yes.

Mr. BARBER: Not in the lower Fraser district. I have been trying for two years to get some information from the department for people in that district and I have been unable to obtain it. All the information given

in the departmental report is that experiments in the dehydration of fruits and vegetables have been continued.

Mr. MOTHERWELL: The department recently got out a publication—I do not think my hon. friend's attention has been drawn to it—giving a summary of four years' work by the dehydration committee. The program for the coming year has not yet been outlined by the committee owing to some of them not having returned to Canada until quite recently.

Mr. ERNST: I should like to get some information from the minister. I do not speak disparagingly of the vote because I quite realize that some aid or encouragement is necessary to start this industry in order that it may be opened to the fruit growing districts of the province of Nova Scotia. He stated that some portion of the $10,000 in this vote is to go to a commercial enterprise in Berwick. Could the minister inform the house just what proportion of the $10,000 is to be granted to that enterprise, and will he disclose its name?

Mr. BENNETT: We have a right to know it.

Mr. ERNST: I think the information is due to the house. I ask only for the purpose of information.

Mr. MOTHERWELL: The representatives of the company came up to see us about two years ago.

Mr. ERNST: Which company?

Mr. MOTHERWELL: I have no recollection of the name of the company, I have never had an opportunity of discussing it with the hon. member for Hants-Kings (Mr. Ilsley). However, I do not recall the name of the company.

Mr. ERNST: It is not the Apple Crisp Company, is it?

Mr. MOTHERWELL: I do not know. I think it would take the whole of this vote for the improvement of plants already established once you began installing better equipment and providing cork insulation. Those improvements would soon eat up the $10,000.

Mr. ERNST: If some portion of this vote of $10,000 is to be used to assist private enterprise, no matter how laudable, I should like the minister to take the house into his confidence and inform us what enterprise it is.

Mr. BENNETT: We have a right to know.

Mr. MOTHERWELL: I do not care to act without the advice of the dehydration committee, the members of which have returned to Canada only recently. I would not care to give a straight pledge that the money would be invested there or somewhere else. If my hon. friend thinks he is not being given sufficient information we will strike the vote out.

Mr. ERNST: I am not asking that the vote be struck out; I merely want to get information before the vote passes. If the minister cannot supply the information I suggest that he let the item stand and perhaps he will be in a position to give it to us to-morrow.

Mr. MOTHERWELL: We have not the information my hon. friend would like to have, and that I would like to have. We have always been governed by the representations of the dehydrating committee, but my sympathies are in the direction of helping out the commercial plant that was started, but which, partly for want of capital, failed.

Mr. BENNETT: What plant is it?

Mr. ERNST: I only want to see that the money which is given for dehydration purposes in the maritime provinces is going to do some real good. I do not object to a vote for dehydration, but I should like to have an assurance that this money will be spent where it will do the most good. I want something done to benefit the industry.

Mr. MOTHERWELL: Perhaps it would have been better if I had not mentioned that institution when I did not know the name of it.

Mr. ERNST: The hon. member for Hants-Kings (Mr. Ilsley) is present. He can speak for his constituency.

Mr. McGIBBON: Is the minister asking parliament to vote money when he does not know what he is going to do with it?

Mr. MOTHERWELL: I think I have explained for at least the third time why I have not the information. The dehydration committee were not all in Ottawa until yesterday, and I should like to be advised by them because they have a knowledge of the work. If it is a technical violation of the rights of parliament not to have all this information, even for the reasons I have given, I shall be delighted, in order to bring myself in line with the rights of parliament, to move that this vote be struck out. Let it be remembered that I do this not in any spirit of petulance but because I recognize that the criticism is right. I think, however, the circumstances ought to be sufficiently

extenuating and the amount is so small that my hon. friend should not hang on to it in that way like a pup on a roof.

Mr. ERNST: While the minister's application may fit, it was because I have had some experience in connection with governmental expenditures in the maritime provinces that I drew the attention of the committee to this vote. I was only asking for information and I am surprised that the minister cannot furnish it.

Mr. MOTHERWELL: In view of the high regard in which I hold the maritime provinces I should not like to see the vote struck out, but I admit that the circumstances to which I have referred render it impossible for me to give the information asked for. The committee can take the item as it is or let it go out.

Mr. BENNETT: This parliament has not yet come to that.

Mr. ERNST: The item can stand and we can get the information later.

Mr. ILSLEY: The hon. member for Queens-Lunenburg (Mr. Ernst) has rather invited me to speak about this, and my statement will be very brief. I never knew, until I heard the minister so state, that any firm in Berwick, which is in my constituency, had applied for a grant, and I do not know now what firm it is.

Mr. MOTHERWELL: I do not know where it is except that it is in the Annapolis valley.

Mr. ILSLEY: I have not the slightest idea what company or firm has applied for this grant. If the hon. member for Queens-Lunenburg, who has had such an unfavourable experience in connection with governmental expenditures, is the least bit worried that the money is going in a wrong direction, he can rest assured that, so far as I know, it is not going to any friends of mine. I think it would be a shame to cut out this item. This experimental work should be assisted and extended, and if anything of this sort can be done in the Annapolis valley, it should certainly be done. I wanted to speak simply to obviate the impression that was left by the hon. member on the other side of the house that some unwise or unnecessary expenditure was contemplated in the Annapolis valley.

Mr. MANION: May I suggest to the minister that the suggestion of the hon. member behind me that the item should stand seems a reasonable one? Parliament is not going to prorogue to-morrow, and we have plenty of time.

[Mr. Motherwell.]

Mr. MOTHERWELL: All right, we will let it stand. The committee can see how amiable the minister is to-night.

Item stands.

Live stock, including grants to exhibitions feeder shows, etc., $1,480,000.

Mr. MOTHERWELL: I have been requested by an hon. member to let this item stand because he would like to get some information on it.

Item stands.

Progress reported.

PRIVATE BILLS

CHANGE OF ORDER OF REFERENCE FROM RAILWAY COMMITTEE TO MISCELLANEOUS PRIVATE BILLS COMMITTEE

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, on Friday last three bills dealing with the incorporation of a memorial bridge company, a transit company, and a gorge bridge company, were before the house for second reading. They were being referred to the select standing committee on miscellaneous private bills when I directed attention to the fact that they dealt with railways and the construction of a bridge and should, therefore, be referred to the railway committee. I am now advised that such bills usually go in the first instance to the select standing committee on miscellaneous private bills and if it is thought desirable they may be sent afterwards to the railway committee. I therefore move:

That the order of the house of Friday, February 10, referring the following private bills to the select standing committee on railways, canals and telegraph lines, be discharged, and that the said bills be referred to the select standing committee on miscellaneous private bills, namely,—

Bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company.

Bill No. 23, to incorporate St. Clair Transit Company.

Bill No. 25, to incorporate Niagara Gorge Bridge Company.

That puts the matter where it was originally. On Friday the Solicitor General, following my comment, mentioned that last year a similar bill had been referred to the committee on miscellaneous private bills.

Mr. CANNON: I mentioned it.

Motion agreed to.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 15, 1928

The house met at three o'clock.

EARL OF OXFORD AND ASQUITH

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, a fortnight ago feeling reference was made in this house from all sides to the death of Field Marshal Earl Haig, the commander-in-chief of the British forces during the Great War. It is fitting in view of the announcement which has come to us from Great Britain to-day that we pause in the midst of our duties to pay a brief tribute to the name and memory of the one who was Prime Minister of Great Britain at the outbreak of war, and who held that high office during the first two years of the war.

I shall not attempt in any way to review the high attainments and great career of the late Lord Oxford and Asquith. They are present to the minds of all to-day, and will become increasingly appreciated as party controversy fades in the clearer light of the perspective of history.

Mr. J. A. Spender, in a recently published volume, The Public Life, significantly remarks that the great war is like a vast watershed which cuts across the territory surveyed when one seeks to speak of the men who were associated with the war; that so exceptional and stirring were the events of that time that it tends to make it difficult, if not impossible, to recall many of the incidents of careers that had been long and useful at a date anterior thereto. In this connection I would remind the house that the career of public service of the late Lord Oxford and Asquith extended over the greater part of half a century; that in that time he occupied the office of prime minister for eight years and eight months, a period of unbroken service in that position, longer than that of any prime minister of Great Britain; that his life was intimately associated with most of the important events which immediately preceded the war, and that his public service, from the beginning to the close of his career, was of an exceptionally high and useful character. Were testimony to the exceptional character of his public services required I would remind hon. members that when Mr. Asquith but a year or two ago was offered an earldom by His Majesty the King, it was upon the recommendation of the leader of the political party to which he had been traditionally opposed. There has been no more graceful incident in the many amenities of British public life.

As to Mr. Asquith's relation to the war, I should like to quote a paragraph from the book to which I have already referred. It serves to bring out a feature that all who are charged with the responsibilities of public life will keenly appreciate. Speaking of the men associated with the great war, Mr. Spender says it is impossible to consider them, and more particularly Asquith and one or two others whose names he mentions,

> —without feeling that they are in a certain sense marked off from their fellows. They had to make decisions which shook the world, which touched the very existence of their country, which brought death and desolation, salvation and victory, to their own fellow-countrymen, and to multitudes in other lands. They had to bear responsibilities beside which those that fell on their predecessors, however illustrious their names, seem like feathers in the scale.

There can be little doubt that this great responsibility, a responsibility greater than that which has fallen to the lot of almost any other individual had its effect upon the constitution, upon the powers of resistance of the great statesman who passed away this morning. Having this in our mind, as well as the service which he rendered not only to his own country, but to the British Empire as a whole, I feel it will be the wish of the members of this parliament to join with the members at Westminster in expressing our very great sympathy with the Countess of Oxford and the other members of the family, who have been so greatly bereaved, and also that it will be the desire of our country to be associated with the other dominions in their sympathy with Great Britain in the loss of one of the greatest of her statesmen whose passing creates a void not only in the public life of his native land, but also, I venture to say, in the public life of the world.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it falls to the leader of this house, who is also the Prime Minister, to express on behalf of the Commons House of Parliament as well as on behalf of the Canadian people our sincere sympathy and regret at the passing of the Right Hon. Earl of Oxford and Asquith, familiary known as Mr. Asquith. On behalf of those who sit to your left, Sir, with whom I am associated, I desire to join in that expression of sympathy, and also to express the sense of loss that the empire has sustained by the death of so distinguished a statesman.

Mr. Asquith came into public life, in the language of Lord Granville, when speaking of the Earl of Beaconsfield:

> Without the aid of any of those adventitious circumstances that so often in England contribute to the advent of young men to the House of Commons and to the shaping of a political career.

He was indeed the architect of his own fortunes. Blessed with great natural abilities, he developed them by studiousness and keen application so that he became a student and ultimately a fellow of Baliol and a graduate of the ancient university of Oxford. He chose law as his profession, and very early in his career he manifested those great talents which gave him so quickly a commanding position at the bar. But public life soon claimed him, and while he was still in the early thirties he was elected to parliament for one of the Scottish constituencies, which he represented continuously for over thirty years. He was of such great talent that he early attracted the attention of Mr. Gladstone, and his was the voice which moved the vote of want of confidence which secured the defeat of the Conservative government then led by the Marquis of Salisbury. He succeeded to office, and as Home Secretary made for himself a very distinct mark in the political history of his day. Later he became Chancellor of the Exchequer, and from 1908 to 1916 he was Prime Minister of Great Britain.

With the outbreak of war, as my right hon. friend has said, he had to make decisions that were of the greatest consequence to the whole world. Calm and serene, undisturbed by the shock and the destruction of armies or the loss of ships, Mr. Asquith kept his steady course. Never were the great attributes of a Yorkshire Englishman more evident than in the course he then took, and if there is anything calculated to make a man proud to be born a Yorkshireman, it is the memory of the Asquith of that day.

It is not possible at this time to make any discriminating observations with respect to his standing as a statesman. There are varying opinions as to what his attitude in the years preceding 1914 should have been or might have been, but I recollect a great Scottish statesman once saying to me when I was in England that he believed Mr. Asquith had the greatest control of men of any statesman since the days of Pitt. It must be a matter of inspiration to the Prime Minister to realize that he, to some extent, has not been an unworthy disciple of Mr. Asquith, for with no majority as far as his own party was concerned, Mr. Asquith held office for many years as Prime Minister, with the aid of two conflicting groups in the House of Commons.

As to what his position may be in history with respect to the war it is not my purpose to speak. Already varying expressions of opinion have found their place in print. But this will be conceded by all men, that when that very difficult moment came in his life that he had to relinquish office to one who had served with him, he went out a loyal and devoted patriot and gave his great experience and wide knowledge to his country regardless of what his own position might be. In his life we have a fine example, then, of patriotic service to the empire at a moment when it was at the very crisis of its fate.

As to his subsequent career I do not think it is within my province to speak. He retired to the House of Lords, his party broken, and he found some happiness in writing his memoirs, and a greater happiness still perhaps in those excursions into literature which we realize so often characterized his life.

Mr. Asquith was first of all a great scholar. He was one of the foremost classical scholars of England, having been president of the Classical Association for years. It was one of the joys of his life to go to the old school at Winchester where he was welcomed to speak words in Latin and Greek. He was also a distinguished orator. His standing as a statesman I shall not discuss, but he did maintain the proud and noble traditions of parliament, and he did so in a manner worthy of the greatest statesmen of whom we have record. Moreover, he was an excellent jurist. We of the bar realize, indeed, how great a jurist he was. It was my privilege to appear before the Privy Council on the first and, I think, the only occasion on which he sat on the judicial committee, and although he was then past the age of seventy and had not practised law for a quarter of a century he showed an ability to catch the point at issue in the case which was the marvel and admiration of those present in the court.

The empire has indeed lost a renowned citizen—a citizen who was great in no ordinary sense of the word. He has passed from us full of honours as well as of years, and he has left behind him a priceless legacy. Differing with him, though we may, and with his opinions and his ideas of statecraft and of our common obligation to the union, the fact remains that his life will always be an inspiration to the younger men of the British Empire, and his utterances as recorded will be a fountain from which all may draw knowledge in the years to come. I do not think Lord Asquith was ever better than when, on an occasion such as this, he had to deplore the passing of a great colleague. Who can recall without emotion his noble tribute to Alfred Lyttleton? Who that speaks our tongue can but be thrilled at reading what he said concerning his great Prime Minister, Campbell-Bannerman? Who can study his

speeches in relation to the English Bible, or the words with which he greeted his old colleagues when he went down to receive a testimonial from the members of the bar, without revering the man? Who can read all these and not be moved? I should like to place on record words which I think Lord Asquith himself would possibly have used on such an occasion as this, words from the poet who was peculiarly beloved by him—Wordsworth:

Still glides the Stream, and shall for ever glide;
The Form remains, the Function never dies;
While we, the brave, the mighty, and the wise,
We, Men, who in our morn of youth defied
The elements, must vanish;be it so!
Enough, if something from our hands have power
To live, and act, and serve the future hour;
And if, as toward the silent tomb we go,
Through love, through hope, and faith's transcendent dower,
We feel that we are greater than we know.

Mr. ROBERT GARDINER (Acadia): I desire to join with the Prime Minister (Mr. Mackenzie King) and the leader of the opposition (Mr. Bennett), as well as with hon. members of the house generally, in paying tribute to the late Earl of Oxford and Asquith. The late earl, I believe, will be best remembered by the public as Herbert Henry Asquith. It is quite true he had a distinguished career at the bar, but it is not by reason of that fact that he will live in the minds and hearts of the citizens of this great commonwealth of nations. His memory will survive in the record he has left behind in his parliamentary career. It was in that field that he came before the public eye to the greatest extent and consequently we shall always look upon him as one of the greatest servants of the empire. As the leader of the opposition has properly observed, Lord Asquith occupied many high offices. But after all, Mr. Speaker, it is not the occupancy of a high position that is the determining factor in keeping green the memory of a distinguished statesman; it is what he accomplishes while he holds office. I am sure that the people of Great Britain, in common with those of other nations that go to constitute the British commonwealth, will remember the late earl more for his social legislation than probably for any other reason. It was he that broke the veto power of the House of Lords; it was he that introduced old age pensions into Great Britain; it was he that stood firmly behind every social measure that was calculated to ameliorate the conditions of the masses of Great Britain. I am satisfied that notwithstanding what he accomplished in the sphere of jurisprudence, however highly we may regard him as a jurist, in the minds and hearts of the people of the old country he will be remembered as one who devoted himself to the interests of the common people. I therefore take this opportunity, on behalf of the group whom I represent in this corner of the house, of joining with hon. gentlemen in expressing our sincere regrets to the bereaved wife and relatives of the late Earl of Oxford and Asquith.

PRIVATE BILLS

FIRST READINGS

Bill No. 40, to incorporate the British Empire Assurance Company.—Mr. Edwards (Ottawa).

Bill No. 41, respecting The Imperial Guarantee and Accident Insurance Company of Canada.—Mr. Edwards (Ottawa).

Bill No. 42, to incorporate The Port Huron and Sarnia Bridge Company.—Mr. Odette.

Bill No. 43, respecting the Bell Telephone Company of Canada.—Mr. Edwards (Ottawa).

PENSIONS AND SOLDIER PROBLEMS

SPECIAL COMMITTEE NAMED TO MAKE INQUIRY

Hon. J. H. KING (Kootenay, Minister of Soldiers' Civil Re-establishment) moved:

That all matters connected with pensions and returned soldiers' problems be referred to a special committee consisting of:

Messrs: Adshead, Arthurs, Black (Yukon), Clark, Fiset (Sir Eugene), Gershaw, Hepburn, Ilsley, McLean (Melfort), McGibbon, McPherson, MacLaren, Power, Ross (Kingston), Sanderson, Speakman, Thorson,

Motion agreed to.

SELECT STANDING COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister): It usually happens that after the various committees have been struck there is a desire on the part of some members to have their names placed on committees other than those on which they originally appeared. There are, therefore, usually some substitutions and additions. I move, seconded by the Minister of Justice (Mr. Lapointe) that the changes now proposed be approved by the house:

That the name of Mr. Delisle be added to the select standing committee on marine and fisheries;

That the name of Mr. Jenkins be added to the select standing committee on industrial and international relations;

That the name of Mr. Lacombe be added to the select standing committee on official report of debates;

That the name of Mr. Bowman and also the name of Mr. Boucher be substituted for those

of Mr. Sanderson and Mr. Bouchard on the select standing committee on mines, forests and waters;

That the name of Mr. Sanderson be substituted for that of Mr. McMillan on the select standing committee on banking and commerce;

That the name of Mr. Vallance be substituted for that of Mr. McIntosh on the select standing committee on miscellaneous private bills;

That the name of Mr. Young (Weyburn) be substituted for that of Mr. Ross (Moose Jaw) on the select standing committee on official report of debates;

That the name of Mr. Ross (Moose Jaw) be substituted for that of Mr. Young (Weyburn) on the select standing committee on agriculture and colonization;

That the name of Mr. St. Père be substituted for that of Mr. Auger on the select standing committee on industrial and international relations;

That the name of Mr. Fansher (East Lambton), also the name of Mr. McIntosh, also the name of Mr. St. Père, also the name of Mr. Sanderson, and also the name of Mr. Young (Saskatoon) be substituted for those of Mr. Fansher (Last Mountain), Mr. Vallance, Mr. Morin (Bagot), Mr. MacLean (Prince) and Mr. Young on the select standing committee on railways, canals and telegraph lines.

Mr. BOYS: If the Prime Minister has no objection, I should be exceedingly glad if he would permit my name to be taken from the public accounts committee and placed on the committee on private bills. I have spoken to the hon. member for Peterborough (Mr. Peck), and he is agreeable to being placed on the public accounts committee in my stead.

Mr. MACKENZIE KING: Possibly it might be understood that the change will be made.

Mr. SPEAKER: The clerk will make the change.

Motion as amended agreed to.

BANK ACT AMENDMENT

MERGERS—PROPOSED APPROVAL OF PARLIAMENT

Mr. T. L. CHURCH (Toronto Northwest) moved for leave to introduce Bill No. 44, to amend the Bank Act.

Some hon. MEMBERS: Explain.

Mr. CHURCH: This bill is to restore the provision in the act that agreements for mergers of banks shall have the approval and sanction of parliament, instead of having the sanction merely of the governor general in council and the Minister of Finance.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

[Mr. Mackenzie King.]

HANSARD—TRANSLATION OF FRENCH SPEECHES

Mr. CAMPBELL:

1. What is the policy of Hansard with regard to the translation into English of speeches delivered in the House of Commons in the French language?

2. Is the English translation of all such speeches supposed to appear in the unrevised edition of Hansard?

Mr. MACKENZIE KING:

1. The policy of Hansard is in accordance with a resolution adopted by the House of Commons on March 9, 1921, to the following effect:—

This house is of the opinion that the speeches delivered in French should be immediately translated and published; that the government should at once instruct the translators and the king's printer to publish every Monday, during the session a special sheet of Hansard containing the translation into English of all the speeches which have been delivered in French the preceding week.

2. Yes; in a supplement to the issue of the Monday following the delivery of speeches in the French language.

BRITISH NORTH AMERICA ACT AND MARITIME SUBSIDIES

Mr. CAHAN:

In view of the terms of the address passed by the Senate and Commons of Canada, dated April 26, 1907, and of the British North America Act 1907 (7 Edward VII, c. 11), is it the intention of the government to procure an additional amendment to the British North America Act to authorize the payment to the provinces of the additional grants of subsidies made or to be made by the government of Canada in compliance in whole or in part with the recommendation of the Duncan report?

Mr. MACKENZIE KING: As announced in the speech from the throne, it has been decided, pending a complete revision of the financial arrangements as contemplated by the Duncan report, to recommend the continuance of the money grants made at the last session. For the present, these grants are temporary. If, as a result of a complete revision of the financial arrangements between the Dominion government and the provinces, the present or other grants should be made permanent, it is the intention of the government to procure an additional amendment to the British North America Act in conformity with the policy adopted in 1907.

CUSTOMS AND EXCISE REVENUE AT BERTHIER

Mr. GERVAIS:

What is the total amount collected by the Department of National Revenue at the customs and excise sub-port of Berthier for the year 1927; (a) on excise duties; (b) on customs duties?

Mr. EULER: Customs duties, $25,433.68; excise taxes, $544,815.92; excise duties, $537.34.

GRANDE PRAIRIE AND PEACE RIVER HOMESTEAD ENTRIES

Mr. KENNEDY:

What were the number of homestead entries in (a) Grande Prairie land district, (b) Peace river land district, in each of the years 1921, 1922, 1923, 1924, 1925, 1926 and 1927?

Mr. STEWART (Edmonton):

Fiscal year ending 31st March	Grande Prairie Land District	Peace River Land District
1921	548	671
1922	312	462
1923	172	286
1924	94	142
1925	92	137
1926	111	205
1927	193	251

GRAIN SHIPMENTS

Mr. COWAN:

1. What was the total number of bushels of grain handled through the port of Vancouver in each of the years 1926 and 1927?
2. What was the total number of bushels of grain shipped from Port Arthur and Fort William during each of the seasons of navigation 1926 and 1927?
3. What was the total amount of grain handled at Port Colborne during each of the seasons 1926 and 1927?
4. What was the total amount of grain shipped from the port of Montreal during each of the seasons 1926 and 1927?
5. Is there any record available of the amount of Canadian grain shipped via Erie canal from Buffalo to New York? If so, what amount was shipped in each of the seasons 1926 and 1927?
6. What amount of United States grain was handled through the port of Montreal during the seasons of 1926 and 1927?

Mr. MALCOLM:

1. Calendar year—
   1926: 52,494,615; 1927: 50,847,482.
2. Season of navigation—
   1926: 298,860,493; 1927: 284,172,722.
3. 1926: 93,762,003; 1927: 110,166,303.
4. 1926: 138,635,858; 1927: 197,522,230.
5. Not available.
6. 1926: 38,101,582 bushels; 1927: 96,239,783 bushels.

GRANTS TO EXPERIMENTAL FARMS

Mr. COWAN:

1. What support or aid, financial or otherwise, does the Department of Agriculture make to the experimental farm in the district of Thunder bay?
2. What was the amount of grant or aid, if any, in 1926 and in 1927?

Mr. MOTHERWELL:

1. There is no federal experimental farm in the district of Thunder Bay.
2. Nil.

NEW BRUNSWICK GEOLOGICAL SURVEY

Mr. MacLAREN:

1. Has a detailed geological survey of New Brunswick been made during the years 1926 and 1927?
2. If so, (a) to what extent has the survey extended; (b) what was the number of persons so engaged; (c) what time was devoted to such work?

Mr. STEWART (Edmonton):

1. The detailed geological survey of New Brunswick was continued during the seasons of 1926 and 1927.

2. (a) In 1926 geological survey of about 400 square miles east of St. John completed. Topographical survey of an area of 400 square miles (partly in Quebec) on the bay of Chaleur continued. Investigations made of various mineral occurences and peat bogs.

In 1927 a topographical survey of 400 square miles on bay of Chaleur completed. Hydrographic survey of Chamcook lake and vicinity completed. Systematic examination made of occurrences of manganese and various other mineral deposits examined.

(b) In 1926, eight; in 1927, twelve.

(c) In 1926, 455 days; in 1927, 896 days.

It should be understood that the detailed geological survey of New Brunswick will require many years for completion. It has been in progress for a good many years previous to 1926. Geological investigation is being preceded by a topographical survey and the results of topographical and geological work will take the form of a series of maps on a scale of 1 inch to 1 mile, each sheet representing an area 15 degrees of latitude by 30 degrees of longitude.

TRURO, N.S., POST OFFICE SITE

Mr. MacNUTT:

1. On what date was a lot in the town of Truro, Nova Scotia, purchased for a new post office site?
2. What price was paid for said lot?
3. To whom was said lot sold?
4. What proportion, if any, of original lot was sold for church building purposes?
5. Who was purchaser of remaining portion of lot?
6. What price was paid by each of the two buyers?

Mr. MACKENZIE KING (for the Minister of Public Works):

1. July 11, 1914.
2. $17,000.

3. Part of site (100 feet by 165 feet) to St. James presbyterian church for $3,300 and remainder of site (124 feet by 165 feet) to Geo L. Brenton for $4,500.

4, 5 and 6. Answered by No. 3.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REVALUATION OF SOLDIER SETTLERS LAND

Mr. SPEAKMAN:

1. How many applications have been received during the past year for revaluation of lands held by soldier settlers under the provisions of the Soldier Settlement Land Act and its amendments: (a) total number; (b) by provinces?

2. How many cases, if any, have been the subject of appeal to the Exchequer Court of Canada: (a) total number; (b) by provinces?

3. How many cases have been finally adjusted: (a) total number; (b) by provinces?

4. What is the average percentage of reduction made in such cases: (a) total percentage; (b) by provinces?

NATIONAL RESEARCH COUNCIL

Mr. KENNEDY:

1. Who are the officers of the National Research Council of Canada?

2. What sums of money have been voted for this body in each year since its organization?

3. What questions or matters has the research council under investigation?

4. What reports are available as to its work?

UNOPPOSED MOTIONS FOR PAPERS

NATURAL RESOURCES—WESTERN PROVINCES

Mr. CHURCH:

For a copy of all correspondence, telegrams, orders in council, reports and all other documents exchanged between the government of Canada and the government of Alberta since the last session of parliament, relating to the natural resources question;

And also relating to the return of the natural resources of Saskatchewan, Manitoba, and British Columbia to those provinces by the Dominion.

GRAIN EXCHANGE BUILDING—FORT WILLIAM

Mr. COWAN:

For a copy of the lease existing between the government or any department thereof, and the Grain Exchange Company, Fort William, for the premises occupied in grain exchange building, Fort William. Also return showing a statement of the total cost to the department per annum for the use of the said premises.

KAMSACK, SASK. POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of Alex. Wilson from the position of postmaster at Kamsack, Saskatchewan, and also in connection with the appointment of his successor.

[Mr. Mackenzie King.]

PAYMENTS FOR LEGAL SERVICES

Mr. GARLAND (Bow River):

For a return showing the disposition of the $485,957.06 paid for legal services for the year 1926-27 according to Auditor General's report, giving the names of the lawyers or law firms and amount paid in each case.

DROBOT, SASK., POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of John Stinka from the position of postmaster at Drobot, Saskatchewan, and also all similar papers in connection with the appointment of his successor.

SHEHO, SASK., POSTMASTERSHIP

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of C. J. Sorrell from the position of postmaster at Sheho; and also a copy of similar papers in connection with the appointment of his successor.

THE MEXICAN SITUATION

Mr. CHURCH:

For a copy of all correspondence, telegrams and orders in council between the government of Mexico or Mexican railways, and the government of Canada or the Canadian National Railways, asking for the loan of Sir Henry Thornton, president of the Canadian National Railways, to report on the railways situation in Mexico;

And also for all correspondence between the government of Canada and any person or persons objecting to the aforesaid and objecting to the utterances and letters of the Mexican consul at Toronto, L. Medina Barron, on the same subject.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to draw attention to one feature of this motion. It asks for two sets of correspondence, one relating to the visit of Sir Henry Thornton to Mexico, and the other to certain utterances by the Mexican consul in Toronto. The rules provide that papers should be called for on one subject at a time. If my hon. friend is agreeable to amend his resolution so as to leave out the second paragraph, then so far as the first paragraph is concerned, the government will have no objection to bringing down all the official correspondence relating to Sir Henry Thornton's visit to Mexico. Regarding the second part of his motion, I would like to say to my hon. friend and to the house that there is a considerable amount of correspondence which has come to the government from different persons throughout Canada, some of them objecting to the utterances of the Mexican consul referred to in

the resolution, others commending them. I do not think it would be in the public interest to bring down that correspondence. A great deal of it is very extreme in its phraseology. Some of it appears to have been written only for the purpose of provoking controversy. I fail to see wherein its production can do any possible good, and I do see wherein it might do a great deal of harm, not only within the confines of our Dominion, but in international relations as well. I hope sincerely that my hon. friend will be content to have the house receive the correspondence relating to the visit of Sir Henry Thornton to Mexico and drop the other part of the motion.

Mr. CHURCH: I have no objection if the Prime Minister wishes to have the first and second paragraphs divided. The first part of the question is a proper one. It is a publicly owned road and we should find out who are these people who are asking to have Sir Henry Thornton sent to Mexico without the authority of parliament, and should have full information as to the public policy involved. The second clause of the resolution speaks for itself. A private member on the government side gave notice of this matter and then dropped it. My motion raises a great public question of status and our relations with a friendly country—Mexico—and the rights and prerogatives of consuls within our borders—also an important international problem. I object to withdrawing this motion and will not do so. It is in order to ask the government for all these public papers. They are not private papers, but were received on a matter of government policy. If the Prime Minister wishes to do so, let him take the responsibility of voting my motion down.

Mr. MACKENZIE KING: If I may interject a word, Mr. Speaker, I should like to ask for your ruling as to the point I raised at the outset with respect to the motion.

Mr. SPEAKER: The motion, in my opinion, should be divided. The first paragraph should be the subject of one motion and the second paragraph the subject of another motion, because the one does not flow from the other. If the hon. gentleman chooses he may place another motion on the order paper dealing with the subject mentioned in the second paragraph.

Mr. MACKENZIE KING: If the proceeding would be regular, Mr. Speaker, I should have no objection to having the two questions put immediately if my hon. friend wishes, or rather let the first paragraph be carried now and divide the house if need be on the second.

Mr. SPEAKER: I think the hon. gentleman who moved this motion should be given the opportunity of converting the second paragraph into a motion which might appear on the order paper at a subsequent sitting of the house.

Mr. MACKENZIE KING: I would move an amendment that the second paragraph of the hon. member's motion be struck out, and that the motion as amended be adopted.

Mr. SPEAKER: Mr. Mackenzie King moves in amendment, seconded by Mr. Lapointe:

That the second paragraph of the motion be struck out.

Mr. CHURCH: I rise to a point of order. Both paragraphs conform strictly to the rules of the house. Canada wants some action taken on this particular question. The motion raises a great public principle. I object to the second part of this motion being ruled out. I think the motion is in order, and that it is not permissible to amend it in the way proposed.

Mr. SPEAKER: In my humble judgment any motion which is presented to the house can be amended. The question now is on the amendment.

Mr. BENNETT: It seems to me that before the question is put there should be a clear understanding as to what the issue is. The hon. member for Toronto Northwest moved a notice of motion, and the right hon. the Prime Minister raised a point of order. He said that he did not think that this was a proper motion and that the rules of the house require that a motion for papers should cover only one subject. Your Honour, in my opinion quite properly, ruled that the motion was a double motion, and therefore the only portion of it that was now being dealt with was the first portion. The other portion dealing with another matter should be placed on the order paper by the hon. member at a later date if he so desired. That is my understanding of the matter. Therefore there can be no amendment in any sense in view of the ruling of the Chair.

Mr. MACKENZIE KING: I am simply trying to facilitate my hon. friend's desire to get a part of this information. He can have it immediately if he is agreeable to having his motion amended, and that is all my amendment contemplates. The first part of his motion would be perfectly regular, and if the

hon. member wishes subsequently to introduce another motion covering the second portion of his resolution we will be prepared to consider that when the time comes.

Mr. EDWARDS (Frontenac): Mr. Speaker, if you accept an amendment from the Prime Minister to strike out the second part of this notice of motion I ask you how that particular matter can be reintroduced.

Mr. SPEAKER: My ruling, if so it can be called, was that the second part of the motion does not flow from the other part. The second part could be made the subject of a second motion to be placed on the order paper. That is the position I took. Now let me read to the house what Beauchesne says under standing order 47, paragraph 379:

A motion which contains two or more distinct propositions may be divided so that the sense of the house may be taken on each separately.

I think the house may accept the first paragraph of the motion, and that the hon. member should be given the opportunity of moving another resolution based on the second paragraph. Is it the pleasure of the house to adopt the motion as amended?

Some hon. MEMBERS: Carried.

Mr. CHURCH: Lost.

Mr. SPEAKER: The hon. member is given the opportunity of making the second paragraph of his resolution the subject of another motion. I declare the motion carried.

Mr. CHURCH: I will amend the second part accordingly for to-morrow.

Motion as amended agreed to.

GREAT LAKES SHIPPING

Mr. T. L. CHURCH:

For a copy of all correspondence, reports, orders in council and all other papers asking for the suspension of the coastal shipping laws on the great lakes.

2. For a return showing the list of bulk freighters on the great lakes, Canadian register by the shipping lists, and number of days during the navigation season out of commission of each ship because of lack of cargoes.

3. For a return of a copy of all papers, memoranda and correspondence from the Master and Mates Association, or from Captain William Stitt, their secretary, or from the National Association of Marine Engineers or other marine men, asking for a modern system of life saving stations, beacon lights, modern equipment, use of air craft, ice crushing tugs, and other aids to navigation on the great lakes to assist mariners.

Mr. ARTHURS: I would suggest that this resolution is rather complicated and that it involves various shipping matters, so that it is in character a good deal like the previous one.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I would suggest that the information called for by the second part of the motion can only be obtained from shipowners or their officers. The government cannot furnish that information because it has no record of the subject.

Mr. CHURCH: I think it would be quite easy for the government, through their officials to get the information called for.

Motion agreed to.

LIGNITE AND BITUMINOUS COAL

UTILIZATION BY CONVERSION INTO CRUDE OIL AND OTHER COMMODITIES

The house resumed from Monday, February 13, consideration of the proposed motion of Mr. Kaiser:

That, in the opinion of this house, the government of the Dominion of Canada should immediately initiate such measures and take such other steps as may be necessary to bring about the utilization and transport of our vast deposits of lignite and bituminous coal, by their conversion into crude oil and other valuable commodities of every day life.

Mr. T. E. KAISER (Ontario): Mr. Speaker, when I was interrupted on Monday night by the application of the eleven o'clock rule, I was about to discuss the second part of my resolution as to what we might expect the government to do, and do immediately, in accordance with the resolution. I would suggest in the first place that the government obtain a few hundred copies of the original report as delivered by Frederick Bergius in Pittsburgh, in order that every member of the House of Commons and others who are interested in this subject might receive some basic information.

The second suggestion I have to offer is this, that the government should endeavour to arrange with the university of Birmingham, where there are two Professors, Professor Skinner and Professor Graham, who have the technique and the equipment, for carrying on investigational work and the analysis of coal such as I have suggested. These gentlemen have given reports in regard to hundreds of analyses of hundreds of varieties of coal for England and the British Empire and I have under my hand one report of their finding in regard to coal shale from Australia. They have found some coals that lend them-

selves very readily to this process; they have found other specimens which are not in that class. At the beginning of this undertaking it is necessary for us to know whether the coals we possess in the Dominion of Canada, both in Nova Scotia and Alberta, are of such a character as will lend themselves to the process under discussion. This can be discovered only by our having analyses made by men with the requisite equipment who will give us the results. I find that these university professors, in order to carry out this work, demand that a specimen of one hundred pounds each be sent to them. If we were to send them two or three hundred specimens of coal of one hundred pounds each, this would be inexpensive and we would be able to get a great deal of information. Along with that I would ask the government to have Doctor Tory select a few of the young men of our country, who have devoted a large portion of their lives to subjects of this kind, who would go to England and be paid for their time in order that they might equip themselves scientifically and technically for the solution of this and other problems which confront Canada.

The next thing that I would suggest is that we should endeavour, if possible, to get men like Shatwell, Graham, or Skinner in the old country who, in the summer, exchange lectures with professors in other universities, to come to the university of Saskatoon and there set up an equipment for the analysis of this coal so that they may give us the result of their findings in that way.

I should like to refer for a few moments to statements made by some of the great men of this country and of England in regard to what I have been discussing. In matters of this kind I am guided, as the house should be guided, only by the opinion of men who are in a position to give expert advice and whose statements may be relied upon. In the first place I would draw the attention of the house to a few words contained in the report of Professor Graham and Professor Skinner, who are at the head of the mining research laboratory of the university of Birmingham and who have analyzed hundreds of specimens of coal for the purpose of ascertaining what can be produced under the Bergius process. Their finding is this:

> With coals of the class referred to above, the process could possibly be worked at the present time with profit. The annual output of such coals is sufficient to supply the greater bulk of the present day fuel oil requirements of this country.

I would draw attention also to the finding of Mr. H. G. Shatwell who was sent by the British coal syndicate to the Bergius plants in Germany to investigate and to come back to the British government and the British syndicate with a report of what he had discovered. The details of the report are tremendous and I wish to draw the attention of the house to the conclusion of this scientific gentleman. He states:

> The system of hydrogenation proposed by Bergius, therefore, dispensing as it does with catalysts and employing reactants which in no sense of the word are pure and are not even chemical entities, opens up a new avenue both for scientific research and for commercial exploitations; and there is little question that its adoption on a large scale is only a matter of time.

Following that up let me give the house an opinion taken from the London Times of December, 1927, of Mr. Frank Hodges, who will tell us who he is. Mr. Hodges says:

> As a member of the national fuel and power committee I am able to review the whole range of research and achievement of both our engineers and our chemists. I can therefore say that steam-raising from pulverized coal has passed into conventional and profitable use. It will soon pass from use on land to use on the high seas.
>
> Next year we shall see commercial plants in operation in Britain which will make a frontal attack upon the system of imports of fuel in the form of oil from foreign countries whilst our own men suffer acute poverty and distress. We shall witness the production of oil from coal of such quality and constituents as to result in Diesel oil, lubricating oil, and fuel oil being made available from the much-despised "black diamond".

Such is the opinion of eminent scientists in England and abroad.

Let us come now a little closer home. We have in the employ of this government a gentleman whose views on questions such as this command the respect of the whole people of Canada; I refer to Dr. Adam Shortt. I assume that he at least knows what he is talking about, and in addressing a meeting in my city on the 5th of December last he said:

> The progress of science is as rapid as it is astonishing. In Germany particularly processes for extracting gasoline from lignite coal are making rapid strides. In the past 12 months they have manufactured 100,000 tons of gasoline by these new methods and are now equipped to extract 400,000 tons in the next 18 months. The price is being reduced and there is no predicting how far it is yet to the bottom.
>
> What does this mean but wonderful progress for the Canadian west? There are enormous quantities of lignite in Alberta. So far it cannot be transported economically because it deteriorates in quality after mining so that a binder has to be used.
>
> But if it can be turned to gasoline and its by-products used, the fuel problem of Canada will be solved.

I ask the people of Canada, if they feel that I am not as conversant with this subject as I should be, to pay attention at least to the statements of men of such high standing as I have quoted.

There is one other point. In the Bergius process it has been found that the great expense is in the production of hydrogen. After this question came up, a number of men in the city of Toronto undertook to see what could be done in that regard, and a gentleman by the name of Stewart announced that he had just completed a process by which the cost of producing hydrogen could be reduced by over fifty per cent, and the very next day Professor McLennan of Toronto university, a gentleman to whom we pay three or four thousand dollars a year, said that he had looked into this man's process and found that it was absolutely correct. Now if Canadian genius has been able to devise a process whereby the cost of producing hydrogen is reduced by over fifty per cent, what may not happen in the next few years in connection with the problem of untilizing in a practical manner our vast deposits of lignite and bituminous coal? I believe that the genius of this country is equal to that of any other country in the world. When I think of the wonderful advances that have been made in this country, of those vast prairies which at one time looked as dead to me as the lignite coals of Alberta, when I remember that it was the genius of Professor Saunders that evolved a new type of wheat, a discovery that laid the foundation of the great wealth of those prairie provinces to-day, I regret as a Canadian, as I did last summer when I went across Canada from the Atlantic to the Pacific and viewed many of the monuments to the soldiers and eminent men in the history of this Dominion, that right at the gateway to the prairies there is not erected a monument to the memory of Professor Saunders. I think it would be very fitting to commemorate his work in that way, to show to the world that there are victories of peace that are greater than the conquests of war. I believe that we are just awaiting such touches as have already come to us to make these lignites give up their secret, to the immense benefit of the people of Canada and the people of the whole world. We are simply the trustees for this tremendously valuable asset, and we shall be judged by future generations by the manner in which we discharge our trust. We should enlist the brains and energy and enterprize of the people of Canada to help solve such problems as these, and I believe that we are on the verge of a complete solution not only of this question but also of our fuel problem in central Canada.

[Mr. Kaiser.]

My time is about up. I propose to leave this matter absolutely in the hands of the government. I was glad to know that the Minister of the Interior (Mr. Stewart) on his trip to Europe last summer did make an investigation into this question, and I hope he will give the house the benefit of whatever he has learned in that regard. I did see one statement that he made at the time, and that was that the department of the government was equipped and ready to handle this question. It is not so equipped, Mr. Speaker, but it should be equipped, and should look into this problem in a sensible way. Let us investigate this question and make sure we are right before committing ourselves to a large investment, and then I believe that future generations will bless us for having given these great questions the study they deserve.

Mr. A. W. NEILL (Comox-Alberni): With as much as I could catch of what the hon. member for Ontario (Mr. Kaiser) said, I have no fault to find. As far as I could make out, his arguments were sound and reasonable. But that is far more than can be said for his resolution when you examine it. I would like to draw the attention of the government to what they are committing themselves if this resolution passes. Of course, if this resolution is only to be used as a basis for debate and is going to be withdrawn, no harm will be done; but this is what we are asked to commit ourselves to:

> The government of the Dominion of Canada should immediately initiate such measures and take such other steps as may be necessary—

That is wide:

> —to bring about the utilization and transport—

Another big order:

> —of our vast deposits of lignite and bituminous coal—

It is the following to which I wish particularly to draw attention:

> —by their conversion into crude oil and other valuable commodities of every-day life.

I am not chemist enough to know whether it is chemically possible to produce real crude oil out of coal. I do not think so. Undoubtedly you can produce some kind of oil, but under this resolution the government is to be compelled to produce crude oil by any means and at any cost. It is a well-known fact that you can obtain gold from salt water; but that it is not economically possible.

There are many other things, especially in the chemical world, that you can do, but which cannot be done on a commercial basis because the cost is too great. There is no doubt that some form of oil, and particularly gas, not gasoline, but commercial gas, can be obtained from coal. That is an admitted chemical fact to-day, but the question is, can what is asked here be done on a profitable basis, and should we commit the government to it regardless of the cost of transport or anything else? That seems to me an exceedingly big order indeed. It is the mandatory character of the resolution that I am afraid of.

Last summer there was a meeting in British Columbia of the institute of mining and metallurgical engineers of Canada. We had the advantage there of some very able addresses by the most capable men who had studied this subject. I was keenly interested in it because I had thought to find in that method of changing coal into gasoline or some further product the solution of our troubles arising from depleted markets for the product of our coal mines in British Columbia. But it was unanimously agreed by that body of capable technical men that at the present time it is economically impossible to apply the process in Canada. It has been done, I believe, with more or less commercial success in Germany. Possibly the coal there is of a character that is very easily and cheaply mined; possibly the supplies of natural crude oil are somewhat remote; possibly low labour costs may have something to do with it. But I am inclined to think the success achieved there is due principally to the fact that it is comparatively easy to have access to some large city where there is a market for the supply of gas, because it has not yet been found possible to make gasoline out of coal except at an enormous cost. Therefore you can imagine what an absurd solution of our coal troubles it is to tell us we should turn our coal into gas at enormous loss when in our remote part of the country there is no market for the product close at hand and only a very limited market at a distance. I believe that when the system of what is called low temperature-carbonization is perfected it may be possible to make gasoline out of coal, but to-day it cannot be done.

Now, the men who were at the meeting to which I have referred were not carried away by local conditions at all. They were looking into the matter from a strictly scientific and technical standpoint, and they advised those of us who were interested in the coal mines and their future to devote our energies to the production and use of pulverized coal. I have a resolution on the order paper, No. 18, under which I will deal with that aspect of the problem.

Those technical men also gave us this further advice. They suggested that neither provincially nor federally should we embark on any huge expenditures in scientific research along these lines only in the course perhaps of five or ten years to arrive at the same solution as that already reached in Europe. In other words, they were opposed to the idea of the astronomer, I think in Italy, who said that he was going to make fresh discoveries in astronomy, but he was not going to begin where the old scientists had left off, he was going to find out everything for himself; but after a lifetime devoted to astronomical research he died before discovering that the earth is round. The same principle should guide us here. Instead of going to enormous expenditure in this young country to build up information on the subject from the beginning, those technical men recommended that we should select half a dozen competent chemists, skilled men in their particular line, and send them abroad to acquire in the colleges and schools and the research institutes of Great Britain and the continent the very latest information along these lines, because scientific information generally is free to the world, and it could thus be obtained at very much less cost and in a much more practical and immediate form.

As I have said, I will deal with the matter of pulverized coal under my own resolution, but I should like again to point out that, while the principle of the resolution is right, if the government allows this motion to pass in its entirety it will be committing the country to a very serious expenditure along lines which I do not think desirable.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, it appears to me that the hon. member for Comox-Alberni (Mr. Neill) is somewhat hypercritical of this resolution. If I understand the purpose of it, it is to persuade the government to make a reasonable investigation to discover whether our great lignite deposits can be applied to commercial uses. My hon. friend analyzes the resolution and picks out some phrases from which he concludes that what is proposed is impossible, and he disposes of it with a sweep of the hand. I do not think that is a reasonable way of treating the resolution. It may be that we will not be able to get gas or anything else from these lignite deposits; but, Sir, I submit that if any other progressive nation, Germany, for example,

had similar deposits, it would not hesitate to spend what was necessary to discover whether they could be applied to commercial uses.

An hon. MEMBER: Germany is already doing it.

Mr. HOCKEN: Then that is an added reason why we should do it.

An hon. MEMBER: Quite right.

Mr. HOCKEN: I think the Minister of the Interior (Mr. Stewart) will not be deterred from giving this resolution his support by the summary manner in which the hon. member for Comox-Alberni would dispose of it. It seems to me that the member for Ontario (Mr. Kaiser) has introduced something that is well worthy the consideration of the government. This is one of our natural resources, just how valuable it is we do not know, but surely it is the part of wisdom for us to make inquiries and discover its value and how it can be developed.

I merely rose, Mr. Speaker, to express the hope that the Minister of the Interior will not be persuaded by my hon. friend from Comox-Alberni to deal with this resolution as he himself has dealt with it. This country has enormous resources, some of which we do not know very much about. I recall the time when the best geological experts said we would never find gold in northern Ontario, the rock strata not being of the right kind.

Sir GEORGE PERLEY: Or silver either.

Mr. HOCKEN: Still we have found some gold there. We do not know what we may get out of these lignite deposits until we investigate them and experiment under the best possible conditions.

Mr. NEILL: But the resolution says that we "must" do these things.

An hon. MEMBER: Modify it.

Mr. HOCKEN: I do not think the government would be well advised to spend the whole national revenue on the measures proposed by the mover of the resolution, but it should do what is necessary to discover how these lignite deposits can be developed in the best interests of the Dominion.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I rise, Mr. Speaker, to add a word in support of this resolution. It may be as the member for Comox-Alberni has suggested, better phrasing might have been chosen; but it would be comparatively easy to amend the resolution to read, that the government should investigate the feasibility of what is proposed.

Mr. NEILL: Hear, hear.

[Mr. Hocken.]

Mr. WOODSWORTH: If those words were inserted I think they would meet the objection of the hon. member. But altogether aside from the exact form of the resolution, it seems to me that the hon. member for Ontario has made out a very strong case indeed for a careful investigation by the government of the utilization of our lignite and bituminous coal by conversion into crude oil and other commodities. From what little reading I have done along this line I have come to the conclusion that there is a great deal in what the mover of the resolution has already said, and, I repeat, I think he has presented a very strong case.

I have often thought that instead of going so much into the question of railway rates in searching for a solution of our coal problem, we ought rather to look in the direction proposed by the hon. member. Aside from this particular question, I have been tremendously impressed by the emphasis that the hon. gentleman has placed upon the need of scientific investigation with regard to our natural resources and their development. I think that we should have the resolution framed in such a manner as to make it unanimously acceptable to the house.

Hon. CHARLES STEWART (Minister of the Interior): I need hardly assure the house that I am as much interested in the resolution submitted to-day as I was in that proposed by the hon. member for Bow River (Mr. Garland) with reference to scientific and industrial research. Indeed, they go pretty much hand in hand. I have, however, this additional interest in the present resolution, that it was my privilege this summer to make a special investigation of the very matter herein proposed. Part of my mission to the continent this year had a direct bearing on this subject, apart from a rather interesting week or two which I spent at Geneva listening to the deliberations of the delegates assembled in the Leauge of Nations. And in passing, Mr. Speaker, may I observe that the discussions there were exceedingly interesting and that I am confident, after that visit, that a great deal of good will result from the efforts of the league. However, I do not propose to say anything in that regard to-day. What I want particularly to discuss now is that aspect of my mission which was of greatest interest to me because of the enthusiasm it created, especially in view of the report referred to by the hon. member for Ontario (Mr. Kaiser)—the report of Dr. Bergius to the convention of scientific experts at Pittsburgh respecting the liquefaction of coal.

I will not go so far as my hon. friend from Winnipeg North Centre (Mr. Woodsworth) and suggest that we can immediately do something in this direction to obviate the necessity of moving our coal. We shall still be obliged to consider rates in order if possible to bring coal from the west and the east to central Canada. But I do affirm that there are unlimited possibilities in at least three or four of these experiments that are being carried on. I do not suggest for a moment that they have yet emerged from the experimental stage, notwithstanding the fact that in Germany they have spent a great deal of money. As my hon. friend has well said, Dr. Bergius has devoted over fifteen years of his life to experimentation in this important field with German coal and has attained a very appreciable degree of success. The experiment is being conducted on a large scale at Leuna, where there are special facilities for its completion on a commercial basis. Indeed, scientific research there has at its disposal every aid that is humanly possible. An almost innumerable variety of things are being manufactured from coal, and one is amazed at the output of that huge plant which, at the time of my visit, employed 25,000 workmen. Through the courtesy of Dr. Streseman, whom I met at Geneva, I think it may be said that we who went from Canada were the first representatives of any nation who were admitted to the interior of that plant and shown its operations in detail. We had, therefore, a splendid opportunity to note exactly what was being done, and one was struck with the immensity of the work carried on as well as with the vast extent of experimentation. If I remember correctly there are 1,200 chemists employed in that institution alone. Every department has at its command the services of an expert chemist in the particular line in which it is engaged. Perhaps it is not important, but the fact is interesting at any rate, that they collect all the precious gems that come from the coal. My hon. friend expressed the opinion that we had no idea of the possibilities in a matter of this kind, and I may tell him how astonished I was to discover that they were able to obtain gems for rings. I brought one home with me, recovered from the electrical ovens which were used in the operations elsewhere. The plant is peculiarly equipped for the production of oil. As my hon. friend knows, Germany requires at the present time something like 8,000,000 barrels of crude oil annually, and she is producing only 400,000.

Mr. McGIBBON: Tons.

Mr. STEWART (Edmonton): Barrels is the information I have. It will be seen from this statement what an enormous quantity of oil must be imported into Germany every year. There they have a market of which none of us were aware.

I shall be delighted to meet my hon. friend's request not only for the distribution to members of this house of copies of Dr. Bergius' paper, but also for its wide publicity in Canada. Further, I shall be only too glad to recommend to Dr. Tory the desirability of our students studying abroad; and if the national research council will not consider the question I shall introduce an estimate to provide the necessary funds for the purpose. I am anxious to widen in every way possible the knowledge we have of this subject, which is of great importance to the country. My hon. friend was telling me the other day that for ten or twelve years he had been advocating, in season and out of season, scientific research in this direction, and I can assure him that the matter is one that is dear to my own heart. I should like to see every avenue of scientific research explored. It is well, however, to bear in mind, as the leader of the opposition remarked the other day, the advisability of avoiding as far as possible any overlapping of efforts. In six or eight plants that we visited in Germany, not all of them engaged in liquefaction, some of them going in for low temperature carbonization, and in every one of ten or fifteen in Great Britain, I found samples of Alberta coal which had been submitted by various interested persons. I do not recall a single plant where experimental work was being done in which we did not find samples of our own coal either from that western province or from Nova Scotia. In the very plant which I have been discussing we found samples. I would not limit to 100 pounds the coal that we should submit for testing purposes; I am willing to send it in ton lots at the expense of the federal government to any plant which is prepared to test it, and I am sure that the result will be beneficial not only to those directly interested but to the country at large.

Mr. KAISER: I did not intend to suggest that we should send only 100 pounds. I was merely pointing out that the university to which I referred asked that each sample consist of 100 pounds.

Mr. STEWART (Edmonton): I understand that, but there need be no restrictions to the quantity that we send. The more we send the better it will be. While in Germany I

had the pleasure of visiting Dr. Fischer's laboratory at Mulheim, where in my opinion there are tremendous possibilities. His work, however, is still only in the experimental stage, but I believe that his process will be cheaper than that of Dr. Bergius. Whether it will obtain the same results I do not know. And by the way, may I say that I had the very great pleasure of an hour with Dr. Bergius in his own home, and was generally received in Germany with the utmost courtesy. Much of what I saw I could not of course thoroughly understand, but as I had Dr. Camsell with me he was able to furnish the details and to supplement such knowledge as I did have.

We were greatly interested in low temperature carbonization, in connection with which there are about eight or ten processes in Germany, all of which undoubtedly give promise of success. You will be told of course by the inventor that there is no doubt about the success of the invention. But when you come to examine them minutely you will realize that they are not yet past the experimental stage. I am somewhat chary in this respect, because hon. gentlemen will remember that when I came here there were investigations proceeding at Bienfait, Saskatchewan, which had not got past the experimental stage, and we wasted about a million dollars without getting very much result, and I should like to know now where the break takes place between what is experimental and what can be done in a commercial way. Precaution should be taken in all work, whatever its value may be.

Mr. McGIBBON: Surely the minister does not expect to get dollar for dollar value at the outset?

Mr. STEWART (Edmonton): No, but I think any scientific man will agree that while an experiment conducted on a small scale at first may be eminently successful, when it is tried in a commercial way many difficulties may be encountered. That is exactly what happened at Bienfait, and that is what I had in mind as a layman in looking at the various plants in operation in Germany. Some of them were still in progress. We know that carbonization can be carried on successfully under high temperature, and high temperature produces large quantities of gas and a low percentage of oil. What we want to do in Canada, so far as I understand the situation, is to discover a process that will produce a high grade fuel under low temperature and give off a small percentage of gas and a fairly large proportion of oil. That is what we keep constantly before us in looking over the various experimental plants. I formed this conclusion after some days of investigation of the process which has been so successful under high temperature. The still process of treating the coal apparently gave better results than where the coal was stirred up in the process, as it is in many stages of passing through the plant.

May I say that one cannot visit Germany without being struck with the prevailing efficiency, despatch, and neatness; the modern character of the buildings they have constructed in connection with their plants, and the sanitary conditions that obtain. Everything points to efficiency of the highest order. Indeed I sometimes wonder whether we could present a like picture if we were to take visitors through our coal mining districts in Canada. I rather think we have a great deal to learn in that respect. I know something of the conditions in the coal mining areas in my own province; I have seen something of them in other parts of Canada, and they are not localities to which we would like to take distinguished visitors or scientists who come here. I saw a model town, ideal sanitary conditions, and there was adequate provision for education, medical attention and everything necessary to convenience and efficiency. I was told that no ordinary workman received more than the equivalent of $50 a month in our currency, nevertheless a great deal of attention is paid to the social welfare of the workmen. One instance struck me rather forcibly. In these modern days in Canada, and indeed I am afraid in other parts of the world, there is a distinct tendency toward what we call apartment house dwellings, and usually the individual who has more than one or two children is not a very welcome tenant. To my amazement, at this huge plant no such distinction was made, the man who had the most children was given the most comfortable quarters. Not only that, but on the coming of every child the company presented the parents with a cradle and provided medical attention. I had my eyes opened, and I hope my experience will be a benefit in an administrative way. It did appear to me that mechanism was being brought to the highest state of efficiency, and perhaps they are going to mechanize the human family as well. In some respects things seemed to be carried beyond the bounds of reason, but I cannot help admiring the efficiency that was so evident everywhere.

We left Germany and proceeded to Great Britain. Through the courtesy of Dr. Lander of the British federal research station we visited many districts in England, chiefly look-

ing into the possibility of low temperature carbonization. I am not going to admit that our good cousins across the ocean are one bit behind the Germans in what they know about low temperature carbonization. They have about one hundred and fifty processes, and all have splendid possibilities of development. We were advised to visit certain centres, and we did so and examined them minutely. Not all the conditions would be applicable to Canada, and in order to be sure I am going to send one of our best men to visit these centres with a view to determining the possibilities of the adoption of their methods at some of the principal points in Canada.

So far as the Bergius process is concerned, I was able to see in the research station at London what I was unable altogether to comprehend at Leuna in Germany—a perfect experimental plant so set up that any layman can see the whole business without the least difficulty. As my hon. friend has said, the discovery of a cheaper hydrogen will go a long way toward cheapening that process, and I am very glad that one of our Canadians can claim to have the honour of making discoveries in that connection. May I say in passing that one is rather proud of the fact that working in many of the institutions you find bright young men, graduates of our universities. In the old land they are not missing anything in the way of the treatment of coal; and why? They have a pressing reason. One cannot live many weeks in London without realizing that something should be done in the matter of the treatment of coal. They have many of the same difficulties in connection with coal that we have. Every one of us will remember that ten or twelve years ago coal was used much more extensively than it is to-day on the Pacific coast, but that market is disappearing. Go to the Atlantic and you will find the ships plying there using oil. In this very city fuel oil has largely replaced coal; I venture to say that twenty per cent, or nearly that figure, of the domestic demands are being supplied to-day by fuel oil. In my own city of Edmonton where coal is mined, and where it formerly was used in our furnaces, nearly every individual is using natural gas from the field at Viking, eighty miles away. The coal market has been invaded from every quarter. The same problem prevails in Germany, in England, in every coal-producing country in the world. When cheap petroleum becomes a thing of the past then coal will come into its own again.

The most interesting experiment I saw had relation to low temperature carbonization. I do not know how it will work out, but at Birmingham a young student invented a process of coal treatment by high temperature steam. He tried it for a couple of years in an experimental way, and only last year was enabled to induce a hard headed Scotchman in Glasgow to put in a plant. When I was at Glasgow they were just putting fire under the furnaces to test it out. This may be one of the systems that will be very useful to the Canadian coal industry: it is free from all difficulty in the matter of gases.

Time will not permit of my giving a description of all that one could see on a trip of the kind, but I will make the prediction that within ten years there will be no raw fuel burned in Great Britain, it will all be treated. The ingredients of value will be extracted, and the residue will be a fuel that will be smokeless to a very great degree, thus obviating the difficulty they have to face from fogs in large centres like London.

My hon. friend spoke of the possibilities of burning pulverized fuel under pressure. I visited one of the admiralty stations in England and I was startled to find the great strides that had been made in connection with pulverized fuel. Vessels intended for service on the Pacific and north Atlantic were being equipped with powdered fuel apparatus, and it was estimated that the saving in power would be about thirty per cent over that of oil. Wherever you go, therefore, scientific men are using their best endeavours so to transform coal by treatment that it will be the cheapest and most efficient agent for the production of power. While Dr. Bergius has the distinguished honour of having gone a very long way as leader in the field of liquefaction, there are many who are following him very closely.

My trip to the continent was a real inspiration to me. I picked up some information that I think will be of very great value to me, and I trust to the people of Canada, in the matter of the treatment of our coals. May I say further that without overlapping, because I deem that to be an important thing, the work being performed in Germany or in England—which will be made accessible to us, because they have given us that promise—we should use every endeavour to educate our men so that we may utilize this great natural resource of ours to the fullest extent.

I have not said a word about transportation, because that is scarcely appropriate here. I do not think the wording of my hon. friend's resolution is important, or whether he presses it or not, but it is important that we should educate the public mind of Canada in secur-

ing the necessary moneys and discovering processes, if need be, that are not being pursued by the scientists of other countries; it is important that we should join our information to theirs and bring about as speedily as possible a realization of the great value that we have in this natural product of ours, namely coal.

Mr. DAVID SPENCE (Parkdale): This resolution, I think, should pass the house, at least in modified form, and I am satisfied that the Minister of the Interior will be willing to accept it. We all appreciate the splendid address given by the minister, and the illuminating information he has presented to us. He is to be commended for the trouble he took in gathering that information.

We are told that Canada is a land flowing with milk and honey, a land of wonderful natural resources. I think that if part of the money voted for research purposes were expended in connection with the development of those resources, it would be money well spent. The minister did not touch on the question of the long hauls and the freight rates in this country, but may I point out that as between coal from Alberta and coal from Pittsburgh or Virginia the haul in one case is 400 or 450 miles and in the other 2,000 miles. If coal can be reduced to a condensed form it can be much more easily and economically carried. There are thousands of people burning oil in the city of Toronto today. It is just as cheap as anthracite coal and causes no dirt in the handling. If we could strike a few big oil wells in this country, or get our coal converted into gas or oil, it would be a splendid thing for Canada.

Instead of the resolution being adopted in its present form I suggest that it be amended as follows:

> That in the opinion of this house the government of the Dominion of Canada should consider the initiation of such measures—

And so on. That will not commit the government to anything. I think the minister would be willing to accept the amendment.

Mr. STEWART (Edmonton): Quite right. I may say to my hon. friend that I did not see the necessity of discussing transportation in connection with this resolution, because it is being dealt with on another motion.

Mr. SPENCE: It is up to this country to develop its natural resources. We have them in abundance, and we should exploit them before strangers secure control of them.

Mr. THOMAS CANTLEY (Pictou): I have listened with very great interest, as I have no doubt we all have, to the discussion. There is no question whatever that the subject dealt with is an important one, but I doubt whether the problem is going to be worked out by any department of the government, bearing in mind that it has been the subject of investigation for more than a generation. In Scotland they have been extracting oil from shale for far more than that period of time. We have been doing that more or less in an experimental way over a period of ten years in New Brunswick and Nova Scotia, and I might tell the hon. member for Ontario (Mr. Kaiser) that if he goes down to Victoria street in Montreal, a few doors north of St. Catherine street, he will see a small unit there actually distilling oils from Nova Scotia shale and torbanite. That experimental plant has been working for a considerable time.

There are practical difficulties in connection with the process. I have listened with a great deal of interest to what has been said by the Minister of the Interior (Mr. Stewart). I am fairly well acquainted with what has been done in Germany and I have been at a good many of the points he has referred to as having visited. I have been associated with a company which for the past ten years has been experimenting with the torbanites and shales of Pictou county which are among the largest and richest deposits in Canada. What are the practical difficulties? One difficulty is to get a process which will be continuous, that is, which will distil the oil from the shale and take care automatically of the refuse. So far as I am aware no process has yet been perfected that will, as an economic unit, meet the conditions which must be met in order to make the process a commercial success.

Another difficulty is the value of the product obtained. While crude oil is selling as low as it is to-day in the southern states and other oil-producing countries on this continent and Europe, it is not possible in my judgment, to produce shale oil or oil from the destructive distillation of coal at a profit, or in other words, to make it a commercial success. Our shales and torbanites—and practically the same thing applies to coal—will give us forty gallons to, in some cases in the richer torbanites, even as much as one hundred gallons per ton. There is also the question how cheaply you can assemble the raw material and what you are going to obtain for the oil and other products.

Another difficulty is in connection with the disposal of gas. If you are going to treat the raw material, coal, close to the point where it is produced, say at the pit head

or on the surface, where there is open cut mining, you have no market for the gases which are produced in enormous quantities. If, on the other hand, you transport the raw material coal to large centres of population where you have a market for the gases, you have to add the cost of transportation. Anyone can readily understand that, with coal or torbanite or shale giving fifty gallons of oil per ton, with a cost even as low as two dollars per ton for your raw material, you have an oil cost of four cents a gallon apart altogether from any other cost incidental to its production. With oil selling at $1.50 a barrel on the Atlantic coast of this country, the proposition is not commercially possible. That is the whole story. Just so soon as the cost of crude reaches the figures of, say, five years ago, the whole question will be solved. In five or six different countries people have been working for a generation, and continue to work, on this matter and there is available an enormous mass of information in the accumulated results of experiments and in actual work.

The minister has referred to what has been done in Germany and he has also made a statement with which I am in hearty accord, namely, that our kinsmen in Great Britain are not one whit behind the Germans or any other people as regards practical knowledge of this important question. As a matter of fact the people of Scotland have been extracting oil from shale longer than any other people in the world; they have been doing it successfully for forty years or more, and they have practically exhausted all the shales that are within four or five hundred feet of the surface of the ground in Scotland. They are now treating in their distilling plants oil brought from Persia because their supply of shale has been exhausted. After distilling oils from the shale they treat them in various ways. They have practically ceased to distil oil from shale owing to the fact that their shales are exhausted, and they are now running their establishments as refineries for foreign oils.

Mr. McGIBBON: What would be the value of the gas produced from a ton of coal?

Mr. CANTLEY: I cannot give the exact value, but in every place it depends upon the rate of consumption or the available consumption. The minister made reference to pulverized coal. Pulverized coal has been used very successfully in quite a number of places. He also made reference to some steamers operating with such fuel. About four months ago the first steamer, so far as I am aware, fitted up to consume pulverized fuel, left the coast of America and crossed over to Great Britain. More than seven hundred engineers and other gentlemen interested in shipping visited that steamer while she was in Great Britain in order to look into that installation. On her return to this country many engineers in Canada and other parts of this continent visited her. She was the first steamer propelled entirely by pulverized fuel that ever crossed the Atlantic and returned. It is expected—and there are good grounds for the expectation—that as a result of the working out of the system in connection with that installation, that method of steamship propulsion will supersede oil as boiler fuel and may supersede the Diesel engine. That is, of course, another question, but in this country the use of pulverized coal is not a new matter. In Cape Breton there are boilers which have been heated with pulverized fuel for more than ten years. The Nova Scotia Steel Company in New Glasgow have furnaces that have been operated on pulverized coal for a matter of eight or ten or more years. There is a feeling in this country that we are behind many people in our application of new ideas. That is not true. There are many cases in which we are on a par with anybody else in the world and the Canadian people as a rule are as bright, capable and progressive as any people in any other country.

I have no doubt that this problem will be solved, but it is a commercial question. It all hinges on the price at which crude oil can be produced and sold by the great producing wells of this continent and elsewhere, and while oil remains at the low figure at which it stands to-day very little practical progress will be made in the distillation of oil from coal, whether it be by high-temperature distillation or low-temperature distillation. Just as soon as the price of oil gets up to say, four or five dollars per barrel at the seaboard you will see coal so treated, as has been suggested by the minister and by others this afternoon. As I said before, it is largely a question of transportation, and the relative cost of crude oil.

Mr. H. E. SPENCER (Battle River): I wish to congratulate the hon. member for Ontario (Mr. Kaiser) upon bringing this subject before the house and also to congratulate the hon. Minister of the Interior (Mr. Stewart) upon the work his department has done, as well as the very valuable work he has promised to-day, to carry out with the support of this house.

While in England a year ago I took the opportunity to gather such information as I could with regard to this process of extracting oil from coal. I visited a plant in

Yorkshire where I obtained a lot of information that apparently the hon. member for Comox-Alberni (Mr. Neill) has not been made aware of up to the present. In England they claim that Germany has nothing on them so far as the process of getting crude oil from coal is concerned, and so sure was the company whose plant I had the pleasure of visiting that they had got the secret of production on a commercial basis, that although the plant I went over was only a ten-ton per day plant, the firm were building several hundred ton per day plants in that country.

As is well known by members of this house, we are losing about eighty per cent of the value of our coal when we burn it in the ordinary grate. It is probable that it is of more importance to Great Britain than to us to get oil from coal, but considering that we have in this country about fourteen per cent of the coal supply of the world, and that parts of this country are badly in need of fuel of some sort, it is very important that Canada should give consideration to the process that these other people have discovered. The factory which I visited had treated no less than some two hundred different varieties of coal in their experiments, and they claimed that they were getting anywhere from twenty to fifty gallons of crude oil from each ton of coal treated, according to the variety. One very valuable thing about this process was that they were able to make use of the very small coal, the dust of the mine, which to-day is considered practically useless.

One of the criticisms that we made a year ago with regard to the proposed establishment of coking plants in this country was that it was difficult to find markets in this country for the huge amount of gas that is produced by such plants. If we can discover some better means of handling coal, as has been suggested by the mover of this resolution, we shall come nearer to using one hundred per cent of the coal in some other form than gas.

I again wish to express my appreciation of the work the department has done and of the work the minister has promised to do with the support of this house.

Hon. ERNEST LAPOINTE (Minister of Justice): I move, Mr. Speaker, that the resolution be amended to read as follows:

That, in the opinion of this house, the government of the Dominion of Canada should consider the advisability of taking steps to bring about the utilization of our deposits of lignite and bituminous coal, by conversion into crude oil and other valuable commodities.

[Mr. Spencer.]

I think that is the drafting which was agreed to by the mover.

Mr. SPEAKER: Does the hon. member accept the amendment?

Mr. KAISER: Yes.

Mr. SPENCE: Is that similar to the one I have?

Mr. SPEAKER: Yes.

Motion as amended agreed to.

GRADING OF WHEAT

PROPOSED REVISION OF STATUTORY DEFINITIONS OF GRADES

Mr. JOHN MILLAR (Qu'Appelle) moved:

That, in the opinion of this house the statutory definitions applying to all contract grades of wheat in the western inspection division, should be amended in such a manner as to provide for including protein as a factor.

He said: In proposing to the house, Mr. Speaker, the resolution that appears on the order paper in my name I wish to impress upon hon. members the fact that if this resolution be carried and put into effect, it would meet a very long-felt want. I cannot remember any time during the last twenty or twenty-five years in western Canada when there has not been an agitation more or less pronounced in favour of having our wheat graded according to its milling and baking value, rather than according to colour. True, during those years, having agitated so long without meeting with any results, the agitation sometimes has naturally not been heard of very much, but since placing this resolution on the order paper I have received a number of letters commending it. One man remarked to me when I was leaving home that if this resolution could be put through the house, it would be one of the finest things for western Canada that had been done for some time.

I might point out, Mr. Speaker, that this is a matter of very great importance since it affects the producers of four hundred million bushels of wheat. During the last twenty or twenty-five years we have had our wheat graded according to standards that have been inflexible, standing still, as it were. There have been slight changes, but they have been only very slight. At the same time, the chemical knowledge of wheat and flour has greatly advanced during past years. Chemists have been at work in this country, in the United States, Great Britain and elsewhere, and they have learned a great deal about the different elements of wheat. It is quite natural, therefore, that millers and bakers should have benefited by that knowledge and

have changed and improved their trade practices. So the time has arrived now when though wheat is sold in Canada and in England on grade, and in the United States on protein content, it is really selected by the representatives of the mills of Canada and Great Britain on that same basis of quality. The world over it does seem that millers are placing a great deal more importance and greater market value on protein content than on any other element in the wheat berry. In a moment I shall read some extracts from authorities which will bear out that statement.

Some people have asked me, after reading the resolution, what is its intent. Is it the purpose of the resolution again to subdivide our present grades of wheat and so multiply the number? That is not the purpose at all; the number of grades will not be increased. The purpose is simply to grade on a different basis. Instead of grading wheat on weight per bushel, variety, and colour—I stress colour—the proposition is that it should be graded as now except on the factor of colour. The proposition is that colour shall be very largely eliminated as it only affects the bran in many cases, and does not indicate the milling or baking value of the wheat. I would substitute for colour the factor of quantity of protein. The effect will be that a considerable quantity of grain would take a higher grade, especially in a year like the present, when during the threshing season or immediately after harvest there comes a spell of bad weather and considerable grain has been affected in the bran and has not then the red colour demanded by the Grain Act definition. Much of the slightly sprouted grain has been proved on analysis, as I shall show later, not to have been damaged in milling quality. It has been held in the United States that this discolouration is not damage. But this grain before it was discoloured was graded No. 1 northern; immediately after discolouration it was graded down to No. 3. If hon. members are inclined to think, "Oh, well, the farmers are always kicking, and this is just another form of it," I should like to ask them how they would be satisfied, after labouring for a year and harvesting their crop, to have their wheat given a classification by the inspection that lowers it in value from $100 to $400 per car, without just cause. There have been times during this winter when the spread was as high as 15 cents between two grades, and 25 cents between No. 1 and No. 3. Wheat such as I have described —millions of bushels, sometimes more than half the crop—is affected in this way. You can see the tremendous importance of this question to the farmers of western Canada, and naturally it causes a great deal of dissatisfaction.

Turning to the Grain Act definition on page 28, I read:

No. 1 Manitoba Northern wheat shall include all varieties of hard red spring wheat equal in value to marquis wheat;—

There we have some guarantee of quality, because any wheat that reaches the high standard of marquis is a good milling wheat. But let me point out that in the case of marquis or any other variety the variation in protein content of the wheat grown in different districts in western Canada is very great. You may find marquis wheat with only from eight to nine per cent of protein, and you may also find it with seventeen or eighteen per cent. I pass on:

—shall be well matured and well cleaned,—

Of course, that is no indication of strength.

—weighing not less than 60 pounds to the bushel—

Everyone familiar with wheat knows that that is not any indication of strength. The pounds per bushel is related to yield of the flour per bushel, that is all; it indicates nothing else.

—and practically free of damaged kernels and foreign grains;—

Now we come to the latter part of the definition:

—shall contain 60 per cent of hard red vitreous kernels.

That is the definition. Is there anything there to indicate strength in the wheat? Yes, there is. Hard red vitreous kernels are likely to be stronger than those that do not come under such a description. But if it is spring threshed wheat or has been subjected to rain and other conditions, it is not then a red wheat. Although the damage is only to the bran, the wheat cannot be described as red, and so it will not qualify to go into No. 1 northern grade.

A case was brought to my attention some time ago which will, I am sure, interest the house. It has to do with a sample of American wheat, but the illustration holds good. It graded No. 1 on the American side of the best variety they grow there. The grain was conditioned to prepare it for milling—not damaged, you may rest assured; not lowered in value, you may rest assured; it was improved and worth more to the milling firm. That grain was submitted to a gentleman who had been a deputy grain inspector in Winnipeg, and he graded it No. 3. Now, that is the condition under which we are marketing our grain at the present time. I do not think

you would find anyone conversant with our grading system prepared to bet that a No. 1 northern sample taken from the inspector's desk cannot be so discoloured in 24 hours that it will grade between No. 2 and No. 3. Yet it has not been damaged. Repeated tests have shown that such grain is as good as, and in some cases better than, grain not so discoloured, a fact that I will read extracts to prove in a few minutes. So at the present time we are grading on a basis that only approximately and in a general way picks out the wheats that are of nearly equal value and classifies it in a way that I contend is not fair.

In order further to persuade hon. members that our grading system is not fair, allow me to read some extracts from high authorities in Canada and the United States. Some may take the ground that illustrations drawn from the United States are valueless in Canada; that is not the case. The grain grown on the south side of the 49th parallel of latitude does not differ from that grown on the north side, the same tests holding good for gluten, for protein, for colour, and for what is termed damage. Consequently the experiences of the United States are of great value to Canada. True, when it comes to the stage where the amount of premium is fixed the conditions differ, but only in the degree of premium. The first quotation I will read is from bulletin No. 37, of the state testing mill, Minneapolis:

No. 1 northern spring wheat flour contained a slightly higher percentage of protein than flour milled from No. 1 dark northern spring wheat.

Let me explain that No. 1 dark northern spring is the fancy wheat of the United States, it is the very best; and yet their second grade proved in this case to be higher in protein.

This suggests the inadequacy of the present system of classifying spring wheats on the basis of their density or the relative proportion of vitreous kernels present. A determination of the percentage of crude protein in the wheat would probably afford a more satisfactory and accurate basis of classification into the several sub-classes of northern spring wheat.

Bulletin No. 18, issued by the Saskatchewan department of agriculture in 1904, sums up the result of their investigations in the following words:

Making due allowance for the fact that the flour from these wheats, Nos. 4 and 5, is somewhat dark, one cannot help reaching the conclusion that the market value is not in keeping with the intrinsic value of the wheats farmers have to sell.

The chairman of a protein committee in an American grain centre says:

The protein runs from 10 per cent to 15 per cent on the different samples, and in this

[Mr. Millar.]

market the colour or quality of the grain is no indication of the protein content.

That is what I have been trying to explain, that in many cases colour does not indicate protein content. Now I come to the evidence given by Dr. Birchard, dominion chemist at Winnipeg, before the grain inquiry commission. I have in my possession a letter from an American authority who quotes Dr. Birchard as a chemist of very high standing, and while I am not personally qualified to pass on that question myself, I have evidence that among chemists Dr. Birchard is eminent. Now Dr. Birchard says:

As regards spring-threshed wheat, which shows very similar baking characteristics as the sprouted wheat, my contention is that under the present system this wheat should be graded very much higher provided it has the required weight per bushel, and is free from any form of damage. It has been contended that spring-threshed wheat, and bleached wheat, which is another form of the same kind of wheat, is liable to be damaged by mould or otherwise.

In a note the following statement is added:

In this connection it should be noted that the United States Department of Agriculture, who have made very extensive investigations along this line, do not consider bleached wheat as damaged. In fact, they have dropped the word "bright" from their definition of the grades after standing three years. I am informed, however, that the definition as regards "brightness" was never actually enforced.

He continues:

I have examined a large number of samples of bleached and spring-threshed wheat, and in no case have I been able to detect any injury from this cause. We have made a very large number of tests on spring-threshed and bleached wheat, and in every case the baking quality is decidely improved. It is true that the weight per bushel is lower at times, and with it the yield of flour, so that in most cases it could not be granted higher than No. 2 northern. The real point I wish to make, however, is that spring-threshed and bleached wheat should not be degraded simply because it is bleached.

Another reason for the demand for high protein wheat is that it is necessary to maintain a uniformity in the protein content of the flour, by maintaining a reserve of high protein wheat at all times. So long, therefore, as this demand exists, something should be done so that a portion of the extra premium should be reflected back to the producer.

In Wheat Studies of the Food Research Institute, published by Stamford university, California, I find the following:

The lack of correspondence between grades and values, due largely to variations in protein content, is indicated by a day's quotations of cash sales of carload lots in leading cash markets such as Minneapolis or Kansas City. Thus on a recent date in Minneapolis, the median prices of No. 1, No. 2, and No. 3 dark northern spring (omitting smutty and mussy lots) were, respectively, $1.70½, $1.68½, and

$1.66\frac{3}{8}$; but the range of price in No. 1 was $1.64\frac{1}{2}$-$1.80\frac{1}{4}$, in No. 2, $1.62\frac{1}{2}$-$1.77\frac{3}{4}$, and in No. 3, $1.56\frac{3}{4}$-$1.77\frac{1}{2}$. In other words, the range of prices within each grade was four or five times as great as the difference between the median prices of No. 1 and No. 3; and the lowest tenth of cars graded No. 1 sold below the median price of No. 3.

"Median", I take it, is the medium or middle price. I may explain that, with one exception, grading in the United States is not done by the state; the grain is graded as it is with us, and after that the test is made by a commercial laboratory which charges a fee. The grain is then actually sold on the grade, plus the protein certificate. There they value the protein so highly that in the price cards issued from time to time by the milling firms a differential in price is made for every one-quarter of one per cent of protein. One-quarter of one per cent of protein will ordinarily net a premium of from one to two and one-half cents per bushel; that is to say, one per cent of protein will represent a premium of from four to ten cents per bushel.

A great deal will be said in this discussion about the quality as well as the quantity of protein, and I frankly admit that quality is of greater importance than quantity. But quality cannot be readily attained. It would be an ideal system that would readily indicate the actual strength or value of wheat, but we have not such a system. An authority, writing in "Milling", Liverpool, on February 20, 1926, says:

> Our American brethren, to use their own expression, "tell the world", and unfortunately as a result one is apt to think that they are the only people actively engaged in research and the trying out of new ideas and methods. Many mills to-day in these Isles are, however, supplementing their previous "rule of thumb" methods by utilizing the protein test. One big stumbling block to British millers appears to be the fact that they are still hoping for the perfect test which will wipe out all others and stand alone in its glory. I am afraid they are doomed to certain disappointment; the wheat berry is far too complicated for that. If, then, the protein test can be considered as a valuable supplementary test, it will be found of proved value, as all who use it regularly know. . . . But since there are, although many do not realize it, great variations in different wheats belonging to the same type, the test can be of great use in selecting the most profitable from a "gluten quantity" point of view.

We are told that our objective should be a milling and baking test, but I believe this to be at present impracticable, and to prove that I think I can do better than give my own opinion; I will read what an authority has to say on the point. I find in the printed proceedings of the Research Council of Canada the following:

> All endeavour so far has failed to disclose any method by which strength may be measured other than the baking test, but this method is unsatisfactory for many reasons. It is inexact, depends chiefly on the skill of the operator, is time-robbing, and when completed it is impossible to express the results numerically or in a way that would be universally understood. Also reliance can scarcely be placed on a single test, and often as many as three bakings must be made to make certain of the results.

That is to say, it is a characteristic of a great deal of western Canadian grain, as well as of some American grain, that it lacks in diastastic or yeast action. Our grain is noted for that. Baking alone would give very unsatisfactory results. Then again wheat that contains, as some reward wheat and some marquis wheat does, 17 or 18 per cent of protein, baked by itself would not give satisfactory results. It is not a satisfactory wheat. The gluten is too rigid. It is what the millers call gluten-bound. Someone may ask what is protein. I am not a chemist but I may give some explanation. Protein is a kind of food that belongs to the class containing nitrogen. That distinguishes it from the starch and other elements contained in the wheat. Although there are many proteins in wheat only two need be considered from the bread making standpoint; that is glutenin and gliadin. These two, when mixed with water in the flour, form a sticky dough, such as we have seen in mother's kitchen. If the protein in the wheat has been of good quality there will be an abundance of stickiness in the dough. If it is not of a good quality, it will "run." It will not hold fermentation, the fermentation period will not last long, and the size of the loaf will not be satisfactory. If the quantity and quality of gluten is sufficient, we will have, when baked, a large well-shaped, fine-texture loaf of bread, and there will be a goodly number of loaves to the barrel of flour, which is an important consideration from the standpoint of the baker. Reading again from the article from Milling, Liverpool, I would like to answer the objection that the quantity of protein is not of much value. This article says:

> In considering protein tests, the objection usually raised is that they are only a measure of quantity and not quality of gluten. But is it really requisite to know the quality of the gluten in the original unconditioned wheat? A superficial examination is sufficient to indicate if the wheat is diseased, frosted or shrivelled, and in these cases the protein test is not required. The quality of the gluten in unconditioned wheat is not of vital importance, since the business of conditioning is to improve and modify the gluten out of all recognition to its original state. How is the miller to

know that he is getting a sufficiency of crude gluten for him to treat? How is he to find out if the reputed high quality or high-priced wheats are really valuable to him, in that what he requires is a quantity of gluten, whose quality within fairly wide limits is matterless, as he will be able to alter and correct same by the experienced use of his conditioners? What is required, then, is some test that will accurately give him the percentage of gluten or protein in the wheat that he is able to obtain. Users of the protein test will agree that the test can be made to yield this desired information in a most reliable and accurate manner, as the question of the personal factor does not enter into the test as it does in such an operation as washing out glutens. Unfortunately the test can really only be carried out by a chemist with suitable apparatus and facilities; probably this is the reason the test is not so popular in this country as it is in America.

I have already touched on the fact that protein is not considered in our present inspection system. Because it is important to convince this house that there is a strong demand throughout the world, amongst the countries that are using our wheat, for protein, I will read further extracts:

The fact that the Minnesota people have the advantage of a large experimental flour mill capable of handling wheat in carload lots and of storing 2½ cars at a time, makes this work of special value. The mill in question is 32 ft. wide by 60 ft. long and 4 stories high with a full basement. The building and equipment, complete, cost about $80,000 but, by virtue of an arrangement whereby the state institutions purchase their flour from this mill, the annual cost of operating latter comes to only around $10,000.

Then I quote from the Northwestern Miller, Minneapolis, Minnesota, February 13, 1926, as follows:

Because Montana wheat is high in protein content, and therefore in demand by millers for combining with soft wheat to make a high quality flour, growers in this state have been agitating movements since last fall whereby a system of grading will be established by the Department of Agriculture with the protein content as a basis.

Then further on:

In the last few years, however, considerable advance has been made in the understanding of this factor. . . . Viscosity may now be used as a measure of gluten quality.

Viscosity is a test of the quality of gluten. That method is not in common use as yet. It is used to some extent in the states, and has been found quite accurate, but if it comes into common use it will overcome the objection we frequently hear that when you have the quantity gluten you have not all you need. What you want is the quality. Now this measures the stickiness of this sticky mass. Then I read from the Food Research Institute, Stamford university, California, February, 1926:

[Mr. Millar.]

Nevertheless, all things considered, the amount of gluten, that is, of protein, seems in the light of the present-day knowledge to be the nearest approach to an ideal index of baking strength available. The baker who depends upon it alone will now and then be deceived. If, however, he knows the variety and place of origin of the wheat from which the flour is milled, he will less often be misled.

Some may ask where will we find our market. That is an important question and must be answered satisfactorily if we are going to institute this method of handling wheat. If you go to Winnipeg or to any of the officers of the large milling concerns, they may be willing to show you their map and give you an idea of what they think of the high qualities of protein. They are not employing highly paid chemists to gather information as to whether or not there is starch in the wheat, but they have highly paid chemists at work in Winnipeg who do nothing else but select grades of strong wheat containing a high percentage of protein. They have their maps illustrating the different grades. I saw one as I was passing through Winnipeg on the trip down. In that case there were six different coloured pins on the map. A yellow pin indicated the shipping districts where the protein was the weakest. Then there was a green, a blue, a white and a red—six in all. At many shipping points there were four pins, indicating four different classes of protein from the same shipping point. Protein is produced in semi-arid or arid districts from certain varieties of wheat that are more likely to be high in protein content than others. Other factors have an influence, such as the amount of nitrogen in the soil, and whether or not there is a strong soil. Sometimes at the same shipping point you may find grain grown on sandy soil or in a district where there was excessive rain, and perhaps ten miles away there may be altogether different conditions; and you may get nine per cent protein from one car of wheat and fifteen per cent from another.

Now that the Canadian miller realizes the value of the protein content in wheat they are buying carloads of the right quality at very great expense. There is a market for our protein now, but they will not pay a premium for it until the free supply has disappeared. They are doing in Canada exactly what they did years ago in the United States. We are told that at a certain stage in their development some of the millers realized that protein was an important factor in the wheat, and they quietly picked up all the cars of high protein wheat they could obtain. Then the time arrived when a premium was offered, and some millers even

began to guarantee a certain percentage of gluten. All we are getting is the standard price and it is very far from the actual milling value of the wheat. Great Britain gets wheat from all over the world. She gets soft wheat from Argentina and from the United States, and a comparatively strong wheat from Australia. If Russia were shipping wheat England would get a strong wheat from there, but they can secure no large supply of strong wheat except from Canada. English millers want that wheat; they are picking it up to-day because of its strength. That term includes not only quality but quantity. There is considerable Canadian wheat milled in the United States with about 30 per cent of American soft wheat added. In this way while they pay a duty on the offal, they receive a 99 per cent drawback duty on the flour that is exported.

I am told that my time is up, and in resuming my seat I would express the hope that the hon. member who is speaking at six o'clock will not move the adjournment of the debate.

Mr. M. N. CAMPBELL (Mackenzie): May I first congratulate the hon. member for Qu'Appelle on his very able presentation of this all important matter, and for the careful and patient study he has given to the consideration of the question of the grading of grain according to its milling value.

This question, Sir, is something that has agitated the farmers of western Canada for very many years. As early as 1903, in response to demands from the agricultural population, the government of the Northwest Territories undertook to have an investigation into the question. In the early part of 1904, Professor Harcourt, chemist of the Ontario Agricultural college, was commissioned by the Agricultural department of the territories to undertake this investigation. Professor Harcourt secured samples of the various grades of wheat that could be obtained in western Canada at that time. These were done up in packages and shipped to the chief grain inspector at Winnipeg. The samples included wheat all the way from "No. 1 hard" to "feed." I will just read from a book called Deep Furrows some of the records connected with this investigation:

They were milled with exceptional care to prevent mixing of the various lots and the flours obtained were put through three different baking tests.

The conclusion reached was that there did not appear to be much difference in the value of the different grades of wheat. Even the "feed" sample proved by no means useless for bread-making purposes, either in yield or quality; the only thing that rendered it less available for bakers' use was its darker colour. All who saw the loaves were surprised at the quality of this bread.

These tests seemed to confirm the suspicion the farmers had always had, that the difference in the price between No. 1 hard and feed was entirely out of line with the actual intrinsic value of the wheat. For instance, reading again from the record:

From No. 1 hard the amount of flour was 70.8 per cent, as against 68 per cent from the No. 4 grade.

In 1903 there was a very severe frost on the prairies which seriously damaged the grain. There was also a great deal of wet weather that fall, consequently much of the grain was damp and tough. The government thought that perhaps it was not fair to take the 1903 grain as a test, so they did the same work again next year; and with respect to this I read again from the book already quoted from:

The second tests practicaly confirmed the work done the previous year. The milling, chemical and baking tests failed to show very wide differences in the composition and milling value of the grades submitted. The conclusion reached was that the difference in composition and milling value was nearly as great between samples of any one grade as between the various grades.

That is very important. Even the difference between certain classes of No. 1 wheat may be just as great as the difference in the milling qualities of No. 1 itself and the lowest grade of wheat.

In 1923 this government appointed a commission to inquire into the handling of our grain. Professor Rutherford, who was a member of that commission, was sent to Europe and he studied the situation over there. He visited the British Isles, where he spent a considerable time, and he also visited various points on the continent of Europe. Professor Rutherford's report is attached in the appendix to this commission's report which was presented to the house in 1925. He points out what we all know, namely, that our wheat may be subdivided into three main divisions. First, there is the hard red spring wheat which is grown in the prairie provinces and which, because of its high protein quality and quantity combined, is probably the very best wheat in the world for bread-making. In the second place, there is the durum wheat which is used largely in the manufacture of macaroni. Then there are the softer Ontario wheats, which are more suitable for biscuits, scones and various classes of pastry.

The old country millers, all of whom, I may say, employ chemists and who have, in conjunction with their mills, laboratories

for the testing of this grain, pointed out one very important matter to Professor Rutherford. They stated, first, that Canadian grain received direct from Vancouver is of a higher quality than grain of a similar grade carrying the same certificate received from Canadian Atlantic ports. Further, they pointed out that grain received from Canadian Atlantic ports is of a considerably higher quality than grain carrying similar grade certificates received from United States ports. It is quite obvious that the difference is due to the mixing. There is probably no mixing so far at Vancouver. We know that our grain in passing through the United States—although it is bonded and carries a Canadian grade certificate, which accompanies it to the old country—is being constantly mixed in transit through the United States and our grades are thus debased. Let me read from Professor Rutherford's report in which he points this out. He states:

> Manitoba one northern via Vancouver is worth a shilling a quarter over Atlantic, and Vancouver threes have been nearly as good as Atlantic twos, and fours as good as threes, or nearly so.

Then he goes on to quote the millers. He says:

> We set our prices according to what we expect to receive, based on past experiences.

Therefore we sell our grain in the old country on its milling value, because the millers base the price they will pay for a certain No. 1 or No. 2, as the case may be, on the experience they have had in the past with that particular grade. On page 185 of this report Professor Rutherford states:

> Among the millers interviewed in the old country on this question, the preponderance of opinion was to the effect that during the last ten or twelve years there has been a slight gradual lowering of the milling value of Canada's wheat.

That, I think, is something we should all take into consideration because it affects the sale of our wheat in competition with that of other countries. On page 186 he says:

> No doubt the mixing of grain, as it has been carried on in the past, has played a part in reducing the quality of grain through Atlantic ports.

Professor Rutherford also visited many of our Canadian mills, and on page 187 he says:

> From one of the large Canadian mills in western Canada, I obtained a report on the protein content of 114 cars of one northern wheat, ranging from 10.8 per cent to 16.5 per cent.

Any one can see what a difference there is in the intrinsic value of the wheat. Although it was all No. 1, yet it ranged in protein content from 10.8 per cent to 16.5 per cent.

[Mr. Campbell.]

I have under my hand a synopsis of the report of the United States Department of Agriculture for the past year. In dealing with this question Secretary Jardine says:

> Desirable milling wheat for domestic consumption gave returns to the grower at least fifteen cents a bushel above the value of export grades. At Kansas City premiums for choice hard red winter wheat ranged as high as thirty-five cents a bushel. A car of wheat marketed at Minneapolis showing 16 per cent protein commanded a premium of sixty-five cents a bushel.

That is sixty-five cents above the regular price for that particular grain and under our system that might have been lost entirely to the grower. A few years ago, in a district not very far from my home, a farmer sent two samples of No. 3 wheat grown on his own farm to Minneapolis to have them inspected and tested for their protein content. One of those was grown on summer fallow, the other on spring ploughing, and nothwithstanding the fact that under our system they graded the same No. 3 wheat, a miller in Minneapolis offered this man a premium of twenty-six cents a bushel for the wheat grown on summer fallow. Hon. members can understand what this actually means to our farmers.

A few years ago the hon. member for Qu'Appelle, some other hon. gentleman in this section of the house and myself called on the Minister of Trade and Commerce and suggested to him the establishment of a laboratory at Winnipeg to carry on this work. The minister agreed to that and Doctor Birchard, I think, has been placed on that particular work. But Doctor Birchard has been very much crippled in his work. I understand he has not sufficient staff; he has not the proper equipment to carry out this work, and I should like to impress upon the minister the necessity of his having sufficient staff with equipment to carry on the work of that laboratory so that any farmer who wishes to determine the protein content of his wheat can send a sample to Winnipeg and find out, before it leaves his farm, whether it is premium wheat or not. I quite realize the impossibility at the present time of devising any system whereby wheat at the local elevator can be tested for protein content. Mr. Robinson, of the Board of Grain Commissioners, speaking at the recent convention of the United Farmers of Alberta, is quoted in the Western Producer as making the following statement:

> There are now 573 recognized grades of wheat, and including the tough and damp, the total is in the neighbourhood of 1,700 grades.

One can therefore quite understand what we would have to face if we tried to create any more grades. At this time I am not altogether in favour of establishing a system by statute. I hardly think it is workable. In a sense I think to a large degree the farmers' grievances have been met by the formation of a wheat board, that is, the premium grain is all in the pool, and the premiums received are distributed amongst the farmers.

Mr. MILLAR: Is it not a fact that those who produce the fancy grades do not receive the fancy prices?

Mr. CAMPBELL: I was just going to point that out. At the present time, of course, the farmer who produces the premium grain does not get the fancy price, but it is a little better than it was before. It is distributed amongst them all. The grievances have not been fully met, but they have been met to a degree, and in so far as the pool distributes these tokens back to the farmer, by creating competition it does force the grain companies to do the same perhaps to a greater or less degree. But as I said before, it is impossible to devise any system for judging the milling value of grain at the local elevator. It can be done at Winnipeg, but I think the time is just a little too soon to create a statutory grade. I would like, however, to see this resolution go before the agriculture committee where representatives of the wheat pool, the grain companies, farmers' organizations, millers and all others interested can appear and present their views. There is a certain amount of research work being done at the present time, and I hope the minister will agree to sending this resolution to the committee on agriculture.

Mr. MILLAR: Would the hon. member please read the matter I refered to on page 159 of the royal grain inquiry commissioner's report?

Mr. CAMPBELL: Dr. Rutherford in his report says:

> I asked the standholder if he knew the statutory definition of Manitoba No. one northern. His answer was "No". He liked to trade on the Canadian certificate final. It gave them the least trouble. I asked him if it would be an advantage in selling Canadian wheat if he would guarantee the miller a grade with say 14 per cent protein. "It would", he agreed, "be of advantage to the miller to have such information and more, if possible".

Mr. SPEAKER: Does the hon. member wish to continue the debate?

Mr. CAMPBELL: Yes.

Mr. SPEAKER: Then the resolution will retain its precedence on the order paper.

BUSINESS OF THE HOUSE

THE BUDGET—PRIVATE MEMBERS' DAYS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the house rises, with the permission of hon. members I should like to say a word in regard to to-morrow's business. It is understood that the budget will be brought down by the Minister of Finance (Mr. Robb) early in the afternoon. On Monday night, I think it was, the house agreed unanimously to this course being adopted, and the intention of the government was to ask the house to allow the debate on the budget to have precedence over all other business until disposed of. I have been informed by some hon. members that it would suit their convenience better if after the Minister of Finance delivers his budget presentation the debate on the budget were not to be proceeded with until Monday of next week. The government is anxious to meet the desires of hon. members in that regard, and I therefore wish to intimate at the moment that our intention after the budget has been presented is to return to the regular order of business on Thursdays.

I had undertaken on behalf of the government later on to give a day for private members' day if we exhausted Thursday in a discussion of the budget, but I now would like to modify the undertaking of the government in that particular so as to give on some subsequent day a period of time corresponding with whatever time is taken up by the Minister of Finance in presenting his budget. I think hon. members will see that that is fair.

Mr. CAHAN: The leader of the opposition before leaving the house told me that he wished to agree to the adjournment of the budget debate to-morrow afternoon until Monday, but he also hoped that the government would not depart from the suggestion it had made before, and that although part of to-morrow afternoon and to-morrow evening may be given to a discussion of private members' resolutions, the government would not depart from giving another day, as otherwise it would be holding private members down to practically four days during the whole session.

Mr. MACKENZIE KING: I think I may say that there will be every readiness to give some additional time to private members. We shall not exhaust private members' rights by taking next Monday to go on with the debate on the budget.

At six o'clock the house adjourned, without question being put, pursuant to standing order.

Thursday, February 16, 1928

The house met at three o'clock.

PENSIONS AND SOLDIER PROBLEMS

SPECIAL COMMITTEE TO INQUIRE INTO QUESTIONS CONCERNING RETURNED MEN AND DEPENDANTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): A special committee was appointed yesterday to consider problems affecting returned soldiers. The number comprising the committee was fixed at seventeen. Apparently seventeen is an infraction of the rule, which would limit the number to fifteen. I move, therefore:

That the provision of standing order No. 65, under which no special committee may, without leave of the house, consist of more than fifteen members, be suspended in connection with the resolution passed by this house on February 15, appointing the special committee on pensions and returned soldiers' problems.

Motion agreed to.

CRIMINAL CODE AMENDMENT

Mr. E. R. E. CHEVRIER (Ottawa) moved for leave to introduce Bill No. 45, to amend the criminal code (greyhound races).

He said: The object of the bill is to amend the criminal code for the purpose of placing greyhound racing on the same basis as horse racing as now carried on in Canada.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BUTTER IMPORTATIONS

Mr. CAYLEY:

1. From what countries is butter being imported into Canada?
2. How many pounds were received from each country?
3. What was the increase of total imports of butter in 1927 over 1926?
4. What were Canadian and British prices of butter for 1927?
5. How many pounds of butter were exported out of Canada in 1925, 1926 and 1927, respectively?
6. Can butter be produced more cheaply in countries exporting butter to Canada than in Canada? If so, why?

Mr. RINFRET:

1, 2 and 3.

Quantity of Butter imported into Canada, by countries, years ended December 31, 1926 and 1927, with increase or decrease, 1927 compared with 1926.

Countries from which Imported	Years ended December 31 1926 Pounds	1927 Pounds	Increase + Decrease— 1927 compared with 1926 Pounds
United Kingdom	2,798,697	2,007,830	— 790,867
United States	99,127	104,236	+ 5,109
Argentina	62,720	.....	— 62,720
Australia	2,995,740	376,096	— 2,619,644
Barbados	8	.....	— 8
Bermuda	448	.....	— 448
Fiji	.....	4,760	+ 4,760
Italy	.....	9	+ 9
Newfoundland	110	410	+ 300
New Zealand	3,193,382	8,714,985	+ 5,521,603
Syria	1,650	490	— 1,160
Trinidad and Tobago	.....	3	+ 3
Total imports	9,151,882	11,208,819	+ 2,056,937

4.

Butter—wholesale prices at Montreal for 1927.

(Quotations middle of Month)

1927	Cents per pound
January	43
February	42
March	46
April	39
May	38
June	36
July	36
August	38
September	41
October	42
November	40
December	40

Butter—wholesale quotations London, England (Commercial Times) (Middle of Month).

1927	Argentine	Dutch	New Zealand	Danish
	Converted at Par to cents per pound			
January	30.8—34.7	39.9—40.3	32.1—39.9	37.7—38.1
February	32.1—34.3	42.9—43.3	35.1—39.4	40.7—41.1
March	30.8—33.0	37.7—38.1	32.6—35.6	38.6—39.0
April	31.3—33.9	38.1—38.6	31.7—35.6	38.6—39.0
May	31.7—33.4	33.0—33.9	33.0—36.0	34.3—35.1
June	32.1—35.6	33.4—34.3	33.4—37.7	34.7—35.1
July	30.8—35.1	33.0—33.9	29.1—35.1	34.3—34.7
August	31.3—36.0	36.0—36.4	34.3—38.6	37.7—36.0
September	37.7—38.1	40.7—41.1	36.0—40.3	41.1—41.6
October	33.4—38.1	41.6—42.0	36.0—40.3	41.1—42.0
November	33.9—37.7	43.3—43.7	34.7—40.7	44.6—45.0
December	31.3—35.1	42.1—41.1	32.1—34.7	39.0—

5. Exports of Butter from Canada

(Calendar Years, 1925, 1926 and 1927)

	1925 Pounds	1926 Pounds	1927 Pounds
Canadian Produce	26,646,535	9,814,000	2,696,000
Foreign Produce	840	800	2,100
Total Exports	26,647,375	9,814,800	2,698,100

6. In the case of New Zealand—probably yes. As to other countries—not in a position to express opinion.

Butter can probably be produced more cheaply in New Zealand than in Canada owing to the fact that lush pastures are available there for twelve months in the year, thus saving a great deal of work harvesting forage and quite possibly lowering production costs as compared with Canada.

COST OF CARRYING NEWSPAPERS

Mr. GEARY:

1. What was the cost of carrying newspapers by mail during each month from January 1, 1926, to date?

2. What was the revenue derived from the carrying by mail of newspapers during each month from January 1, 1926, to date?

3. On what date did the reduced rates authorized by parliament in 1927 come into effect?

Mr. VENIOT:

1. The cost of carrying newspapers is approximately $8,500,000 per annum.

2.	1926	1927
January	$127,644 27	$149,104 06
February	125,221 42	146,227 09
March	130,067 13	149,011 25
April	137,300 93	133,038 97
May	138,300 57	134,572 35
June	136,301 31	131,505 61
July	133,156 25	114,124 25
August	134,284 35	116,248 57
September	138,322 94	118,358 47
October	149,872 61	127,114 96
November	148,876 32	122,105 54
December	156,868 92	131,510 89

3. 16th April, 1927.

PRIVILEGE—MR. WOODSWORTH

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I desire to direct attention to an entirely misleading, I may say, false, statement, with reference to what I said the other day during the debate on national banking, which is contained in the Toronto Evening Telegram of February 14 in what purports to be an account of the proceedings of that date, despatched by the special staff correspondent. I find that under the guise of a report a vicious attack on myself. Under the special heading "Rebellion Suggested" I read:

> But his language grew stronger as he went along, and he pictured the whole of the national credit drifting into the hands of two or three men and then recorded his sad conviction that, "If anything would justify armed rebellion against the established condition of affairs, I think such conservation of the banking system is the one thing that would justify it."
>
> Strange, isn't it, how these peaceful little chaps—most of them pacifists—are always ready to talk red rebellion. Makes you wonder, if said rebellion ever did come, whether they'd fight or raise wheat to feed the fighters.

All that I said in this connection will be found recorded in Hansard at page 389.

Some hon. gentlemen may remember a rather remarkable statement made during the election of 1925 by Sir Clifford Sifton. He said:

> "We are rapidly approaching that condition in which two or at most three banks will be doing the whole of the business of the Dominion and you will have the spectacle of about three men sitting on the whole of the funds of the people of Canada deposited in the banks and deciding to whom they will loan these funds."

And again:

> "If anything would justify an armed rebellion against the established condition of affairs I

think such a consummation of our banking system is the one thing that would justify it."

An hon. Member: Sedition.

Mr. Woodsworth: Somebody suggests that this is sedition. Well, such an utterance might be seditious in the mouths of some of my comrades in the working class, but I suppose it is comparatively safe for Sir Clifford Sifton to make this statement.

I suggest that the members of this house ought in some way to be protected against misrepresentation of the proceedings of the house and of what is said by those who take part in them.

ROYAL ARCHITECTURAL INSTITUTE

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac-Addington): May I call attention to an article appearing in the Ottawa Evening Journal of yesterday?

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): I may say for the information of my hon. friends opposite that this is not a comic journal. The article in question refers to a very important convention which is to be held in this city to-morrow and the next day, namely, that of the Royal Architectural Institute of Canada, with representatives from coast to coast. I see in this article that the only person mentioned as representing the Department of Public Works is a gentleman holding a very minor position. This is an important convention and I should like to know from the Minister of Public Works (Mr. Elliott) whether his department will be represented by its chief architect or, if not by him, at least by some of its senior architects.

Hon. J. C. ELLIOTT (Minister of Public Works): The department will be properly represented.

Mr. MACKENZIE KING: I may add for the information of my hon. friend that the government as a whole has arranged to receive a deputation from this particular organization. They are to meet the government as a body.

SOLDIERS' CIVIL RE-ESTBLISHMENT

REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. R. J. MANION (Fort William): I desire to ask a question of the Minister of Soldiers' Civil Re-establishment (Mr. King, Kootenay). We have seen a good deal in the press within the last two months about the Hunter commission, which is considering questions relating to the Department of Soldiers' Civil Re-establishment. Would the minister kindly tell the house when the report of the Hunter commission and the evidence connected therewith will be tabled for the information of members?

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): I will have the report tabled at the next sitting.

Mr. MANION: And the evidence also?

Mr. KING (Kootenay): If the evidence is required I will include it.

Mr. MANION: I should like to have the evidence also as many of us are interested in this question.

RESTIGOUCHE RIVER—SMELT SEASON

On the orders of the day:

Hon. G. B. JONES (Royal): Mr. Speaker, I tried to get in touch with the Minister of Marine and Fisheries (Mr. Cardin) before the house opened, but I could not locate him. I desire to bring to his notice that the fishery overseer on the Restigouche river in New Brunswick has notified the fishermen and the buyers that the smelt season will not be extended; whereas on the other side of the river in the province of Quebec, under exactly similar conditions, the season has been extended. I should like to know the reason for this discrimination.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Minister of Marine and Fisheries is not in his seat at the moment. I will bring the matter to his attention.

ACQUISITION OF ALASKA PANHANDLE

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, might I be permitted to ask the Prime Minister if he has received a request from the government of the province of British Columbia to negotiate with the United States for the acquisition by Canada of the panhandle of Alaska; and if so, will he consider the request?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am not aware of such a request having been received. When received we will give it consideration.

On motion of Mr. Mackenzie King, the house proceeded to government orders.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF HON. J. A. ROBB, MINISTER OF FINANCE

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, by unanimous consent between

the leaders of the different parties, which we on this side appreciate very much, I move:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. Speaker, seldom have the annual statements from leaders of finance and industry throughout Canada so generally reflected such progress and prosperity as that of the year 1927; and the statement of the nation's business, which to-day I have the honour to present, will show conclusively that, notwithstanding our annual reductions in the rate of taxation, our revenues have been ample to meet fixed charges, take care of the ever increasing needs of a growing country, and provide also for a reduction of debt.

Public Accounts 1926-27

In the budget speech of February 17, 1927, it was estimated that the net debt would be reduced by some $31,366,000. The public accounts recently tabled show that the net debt was actually reduced by $41,896,729.33, or some $10,500,000 more than estimated. This was due to the practice which has always been followed when estimating revenues and expenditures.

That there should be no uncertainty as to the correctness of the public accounts of this Dominion, I recommended to the treasury board that an independent audit be made of the balance sheet of the public accounts as of March 31, 1924, 1925, 1926 and 1927. The well-known firm of chartered accountants, P. S. Ross & Sons, of Montreal, Toronto and Winnipeg, were engaged and instructed to make a complete audit of the departmental accounts in question, and on the fifth of December last their certificate which is printed on page xiv of the public accounts for the year 1926-27, was received. Their report confirms the accuracy of the public accounts as submitted to parliament and certified that the reduction in the net debt during the period in question was $105,942,498.65.

Fiscal Year 1927-28

Revenue

With the permission of the house may I place on Hansard a comparative summary setting out the actual revenues and expenditures by services for 1926-27 and the corresponding estimated revenues and expenditures for the present fiscal year.

Revenues and Expenditures

Revenues Ordinary Revenue	Actual 1926–27	Estimated 1927–28	Increase	Decrease
Taxation Revenue—				
Customs Import Duties	$141,968,678	$153,600,000	$11,631,322	$
Excise Duties	48,513,160	57,000,000	8,486,840	
War Tax Revenues—				
Excise Taxes (Sales, Stamps, etc.)	105,613,160	88,000,000	.....	17,613,160
Income Tax	47,386,309	55,300,000	7,913,691	
Delayed Business Profits Tax	710,102	640,000	.....	70,102
Miscellaneous Taxes	2,457,863	2,530,000	72,137	
Total Revenue from Taxation	$346,649,272	$357,070,000	$28,103,990	$17,683,262
Interest on Investments	8,559,401	10,190,000	1,630,599	
Post Office	29,069,169	31,000,000	1,930,831	
Dominion Lands	3,327,273	3,400,000	72,727	
Canada Grain Act	2,582,984	2,600,000	17,016	
Miscellaneous	8,507,677	8,320,000	.....	187,677
Total Ordinary Revenue	$398,695,776	$412,580,000	$31,755,163	$17,870,939
Special Receipts				
German Reparation Payments—				
Under Dawes Plan	1,756,704	2,977,000	1,220,296	
Pre-Dawes Payments	.....	3,790,000	3,790,000	
Miscellaneous	.....	133,000	133,000	
Total Revenue	$400,452,480	$419,480,000	$36,898,459	$17,870,939
			17,870,939	
			$19,027,520	

Revenues and Expenditures

Revenues Ordinary Revenue	Actual 1926–27	Estimated 1927–28	Increase	Decrease
Interest on Public Debt	$129,675,368	$128,700,000	.....	$ 975,368
Pensions	37,902,939	39,380,000	$ 1,477,061	
Subsidies to Provinces	12,516,741	12,516,741		
Soldier and General Land Settlement—Administration	1,250,787	1,300,000	49,213	
Soldiers' Civil Re-establishment	6,976,762	6,820,000	.....	156,762
National Revenue	10,130,430	11,700,000	1,569,570	
Post Office	31,007,698	32,250,000	1,242,302	
National Defence	13,086,051	15,950,000	2,863,949	
Agriculture	5,838,941	6,490,000	651,059	
Public Works—Chargeable to Income	11,178,054	15,500,000	4,321,946	
Dominion Lands and Parks	4,251,662	4,150,000	.....	101,662
Trade and Commerce	4,168,047	4,200,000	31,953	
Civil Government	10,865,757	11,800,000	934,243	
Other Expenditure	40,698,936	42,973,259	2,274,323	
Total Ordinary Expenditure	$319,548,173	$333,730,000	$15,415,619	$ 1,233,792
Special Expenditure				
Adjustment of War Claims	64,485	1,660,000	1,595,515	
Discount and Expenses of Loan Flotations	3,278,032	12,000	.....	3,266,032
Miscellaneous Charges to Consolidated Fund	1,615,883	1,600,000	.....	15,883
Maritime Freight Rates Act—Estimated Amount Required—				
Canadian National Railways	.....	3,395,000	3,395,000	
Other Railways	.....	448,000	448,000	
Capital Expenditure				
Public Works	2,920,670	3,485,000	564,330	
Railways	2,792,343	4,200,000	1,407,657	
Canals	13,845,689	13,720,000	.....	125,689
Loans and Advances Non-Active				
Canadian National Railways	10,000,000	.....	.....	10,000,000
Canadian Government Merchant Marine	426,817	1,000,000	573,183	
Quebec Harbour Commission	680,000	1,415,000	735,000	
Miscellaneous Non-Active Accounts	462,596	.....	.....	462,596
	$355,634,688	$364,665,000	$24,134,304	$15,103,992
			15,103,992	
			$ 9,030,312	
Surplus of Revenue over Expenditure	$ 44,817,792	$ 54,815,000		
Assets written off as Non-Active—				
Soldier Land Settlement Loans	2,921,063	14,000,000		
Seed Grain and Relief—Advances (Department of the Interior)	.....	2,000,000		
Net Decrease of Debt	$ 41,896,729	$ 38,815,000		

From this summary it will be seen that we estimate our ordinary revenues for the present fiscal year as $412,580,000, which, with special receipts of $6,900,000, (including $6,767,000 from reparation payments, of which $3,790,000 is in the nature of a delayed settlement) will give a total revenue for the year of about $419,480,000, an increase of $19,000,000 odd over the revenues for the year 1926-27.

We expect to receive from customs duties $153,600,000, an increase of $11,600,000 over the previous year; excise duties $57,000,000, an increase of $8,400,000; income tax $55,300,000, an increase of $7,900,000; interest on investments $10,190,000, an increase of $1,630,000; post office $31,000,000, an increase of $1,930,000; Dominion lands and certain other sources of revenue $8,530,000, an increase of $161,000.

The revenue services which will show decreases are,—excise taxes (sales, stamps, etc.) $88,000,000, a decrease of $17,600,000 under the previous year; delayed business profits tax $640,000, a decrease of $70,000; miscellaneous services $8,320,000, a decrease of $180,000.

Expenditures

The estimated expenditures for the year are: ordinary expenditures, $333,730,000;

capital expenditures, $21,405,000; special expenditures, $7,115,000, including $3,843,000 to the Canadian National and other railways on account of the Maritime Freight Rates Act of 1927. In addition there are loans in cash to the Canadian Government Merchant Marine of $1,000,000 and to the Quebec Harbour commission of $1,415,000. As these loans are carried in our accounts as non-active assets, the amounts are included as expenditures for the year. The total expenditures will therefore be $364,665,000, being an increase of $9,030,000 over expenditures for the previous year.

Mr. Speaker, with the consent of the house may I also place on Hansard:

First: Statement of our estimated ordinary revenues, by services, together with the percentage of such services to the total of the ordinary revenues as estimated.

Second: Statement of the estimated expenditures, by services, for the present fiscal year, showing the various amounts and their percentages to the total expenditures.

Estimated Ordinary Revenues
For the Fiscal Year, 1927-28

Special War Tax Revenue	Amount	Percentage of Total Revenue
Excise Taxes (Sales, Stamps, etc.)	$ 88,000,000	21.33
Income Tax	55,300,000	13.40
Delayed Business Profits Tax	640,000	.16
Miscellaneous Taxes	2,530,000	.61
Total Special War Tax Revenue	$146,470,000	35.50
Customs Import Duties	153,600,000	37.23
Excise Duties	57,000,000	13.82
Total Revenue from Taxation	$357,070,000	86.55
Interest on Investments	10,190,000	2.47
Post Office	31,000,000	7.51
Dominion Lands	3,400,000	.82
Canada Grain Act	2,600,000	.63
Miscellaneous Receipts	8,320,000	2.02
	$412,580,000	100.00

Estimated Expenditure for the Fiscal Year 1927-28

Principal Expenditure attributable to the Great War	Amount	Percentage of total Expenditure
Interest on Public Debt (Increase over 1914)	$ 115,807,000	31.76
War Pensions	38,140,000	10.46
Soldiers' Civil Re-establishment	6,820,000	1.87
Soldiers Land Settlement Administration	1,300,000	.36
Imperial War Graves Commission	574,000	.16
Battlefield Memorials	200,000	.05
Adjustment of War Claims	1,660,000	.45
	$ 164,501,000	45.11
Other Fixed and Public Debt Charges		
Interest on Public Debt (as of 1914)	$ 12,893,000	3.54
Other Pensions	1,240,000	.34
Superannuation	1,500,000	.41
Subsidies to Provinces	12,516,000	3.43
Discount and Expenses of Loan Flotations	12,000	
Premium Discount and Exchange	10,000	
	$ 28,171,000	7.72
General Expenditure		
Charges of Management	$ 910,000	.25
Civil Government	11,800,000	3.24
Administration of Justice	2,166,000	.60
Legislation	2,430,000	.67
Penitentiaries	1,760,000	.48

Estimated Expenditure for the Fiscal Year 1927-28—*Con.*

General Expenditure—*Con.*	Amount	Percentage of total Expenditure
Agriculture	6,490,000	1.78
Immigration and Colonization	2,900,000	.79
Health	780,000	.21
National Defence	15,950,000	4.37
Royal Canadian Mounted Police	2,360,000	.65
Public Works—Chargeable to Income	15,500,000	4.25
Railways and Canals Chargeable to Income	1,369,000	.38
Canada Highways Act	1,066,000	.29
Mail Subsidies	867,000	.24
Ocean and River	3,600,000	.99
Lighthouse and Coast	2,900,000	.80
Steamboat Inspection	130,000	.04
Fisheries	1,600,000	.44
Mines & Geological Survey	600,000	.16
Scientific Institutions	1,010,000	.28
Indians	4,076,000	1.12
Government of the Northwest Territories	415,000	.11
Government of the Yukon Territory	180,000	.05
Special grant to Maritime Provinces	1,600,000	.44
Miscellaneous	2,726,000	.75
National Revenue (Outside Service)	11,700,000	3.21
Post Office (Outside Service)	32,250,000	8.84
Public Works Collection of Revenue	1,000,000	.27
Railways and Canals Collection of Revenue	2,550,000	.70
Dominion Lands and Parks	4,150,000	1.14
Trade and Commerce	4,200,000	1.15
Labour	1,400,000	.38
Public Printing and Stationery	295,000	.08
Miscellaneous Consolidated Fund Charges	1,400,000	.38
Capital Expenditure—		
Public Works including Marine Department	3,485,000	.96
Railways	4,200,000	1.15
Canals	13,720,000	3.76
	$165,535,000	45.40
Total Estimated Expenditure on Government Services	$358,207,000	98.23
Other Expenditures		
Maritime Freight Rates Act—Estimated Amount required—		
Canadian National Railways	$ 3,395,000	.93
Other Railways	448,000	.12
Home Bank Depositors Relief Act	200,000	.06
Loans to Quebec Harbour Commission	1,415,000	.39
Loans to Canadian Government Merchant Marine	1,000,000	.27
Grand Total	$ 364,665,000	100

Surplus $54,815,000

In the statements just tabled it is estimated that ordinary revenue will amount to $412,580,000 which, together with special receipts of $6,900,000, gives a total estimated revenue of $419,480,000. After deducting from this the estimated total expenditures of $364,665,000 there will be a surplus of revenues over all expenditures of $54,815,000.

[Mr. Robb.]

Net Debt Reduced $38,815,000

After provision has been made to the extent of $16,000,000 for the writing down of certain soldier land settlement loans and other assets, the reduction in the net debt will be

$38,815,000. Thus, during the five-year period ending 31st March, 1928, after providing for writing down certain assets, we will have succeeded in reducing our net debt by $144,700,000.

Chapter 68 of the statutes of 1927 amended the Soldier Land Settlement Act of 1919, and provided for the revaluation of loans to settlers for the purchase of lands. The soldier settlement board advise the Department of Finance that the total amount likely to be written off through this revaluation will be about $8,000,000. We propose reducing our assets as shown in the public accounts at the close of the present year by this sum of $8,000,000. The soldier settlement board also advise that there will be a further loss on the re-sale of stock and equipment, as well as on farms which have reverted to the board. Certain of these farms have been resold, but some 3,000 properties remain to be disposed of. In the opinion of the board a loss will eventually be sustained in connection with the assets referred to of approximately $6,000,000 which sum the government proposes to write off as a non-active asset.

It has also been deemed advisable to reduce by some $2,000,000 active assets now carried as seed grain and relief advances, transferring this amount to non-active assets. These accounts have been running for many years and a certain number are now considered of doubtful value.

Outstanding Public Debt.

Representations have been made in this house and elsewhere that, through a sinking fund properly invested, provision should be made for retirement of our total debt within a limited number of years. I do not intend to go into the merits of this proposal beyond remarking that there are opinions both for and against the adoption of a fixed plan. In the final analysis it must be recognized that a net surplus of revenues over all expenditures is the only effectual sinking fund for debt retirement. In 1845 an eminent British economist, McCulloch, dealing with the question of sinking funds and taxation, declared:

> The greater productiveness of industry and the greater well-being of the community are the real sinking funds which a wise government should exert itself to build up and encourage.

In recent years we Canadians have succeeded in reducing annually both debt and taxation; each reduction of interest bearing debt has enabled us to reduce taxation further, and while welcoming any workable plan that will ensure the retirement of our national debt, I submit that until Canada is nearer the pre-war rate of taxation, annual reduction of taxes is as important as reduction of debt. Our policy is to reduce both.

Retirement of Maturing Loans

Mr. Speaker, total maturities for the current fiscal year, amounting to $100,505,650, were provided for as follows:—

On the 1st and 15th November, 1927, the 5½ per cent renewal loan of 1922 amounting to $29,068,400, and the 3-year 4 per cent notes amounting to $8,000,000 matured and were redeemed in cash.

On the 1st December, 1927, a portion of the 5½ per cent 1917 victory loan, tax-free, amounting to $63,437,250 matured. We were able to redeem $18,437,250 in cash. To meet the balance we issued 4 per cent 3-year treasury notes to the amount of $45,000,000 which we sold direct to the chartered banks of Canada at par. All of the chartered banks subscribed to this issue. The sale of these treasury notes marks the first financing since 1912 which the Dominion government has effected at a net cost as low as 4 per cent.

The saving in interest resulting from these transactions will be $3,607,000 annually. An additional advantage will accrue from a further reduction in the amount of outstanding tax-free bonds, as the December 1st maturity of $63,437,250 carried exemption from taxation.

Guaranteed Securities

Canadian National Railways

Financial requirements of the Canadian National Railways were met by an issue of $65,000,000 4½ per cent 30-year bonds dated July 1, 1927, guaranteed by the Dominion of Canada.

This issue was made to provide for the following authorized commitments of the railway company:

$20,000,000—for the refunding of a like amount of 4 per cent Dominion guaranteed 3-year notes which matured July 1st, 1927, as authorized by the Canadian National Refunding Act 1927 (chap. 27).

$15,000,000—for the funding of a temporary loan obtained by the company to finance capital expenditures and miscellaneous maturing obligations as provided for in the railway appropriations for the previous year, 1926-27. The vote for the year was $31,000,000; $10,000,000 was advanced by the government as reported in the budget speech of last year and $15,000,000 was borrowed temporarily as authorized by vote 372, Appropriation Act, 1926-27, which vote also authorized the issue and guarantee of securities to take up the temporary loan.

$16,600,000—to provide for expenditures authorized in the railway appropriation for 1927-28 for general additions and betterments and miscellaneous maturing obligations as provided for by vote 408, Appropriation Act, 1926-27—"Loans to Canadian National Railway Company."

$4,000,000—for capital expenditures in connection with the Toronto viaduct scheme as authorized by the legislation of 1924 and 1925.

$9,400,000—on account of construction of various branch lines as authorized by the special acts passed in 1924, 1925 and 1927.

Montreal Harbour Commissioners

During the year, the government guaranteed a demand obligation of the Montreal harbour commissioners for $4,000,000 in connection with the financing of the South Shore bridge, as authorized by Chap. 58 of the Statutes of 1924. This, together with a guarantee for a similar amount, previously given, brings the total of guaranteed obligations issued in connection with this project to $8,000,000.

Canadian National (West Indies) Steamships Ltd.

Parliament last year authorized the government to guarantee securities of the Canadian National (West Indies) Steamships Limited to provide for the construction of steamships for the West Indies service. A guarantee to the amount of $8,000,000 has been executed but actual borrowing will take place only to meet cash requirements as construction proceeds. The company has arranged for bank advances as collateral for which the guaranteed securities are to be pledged.

The international trade of Canada is well maintained. Our fiscal year does not end for some weeks but the records for the nine months ended December 31, indicate a substantial favourable balance. This is particularly note-worthy at a time when industrial expansion and undertakings of various natures create a demand for machinery, construction material and other necessary articles not procurable in Canada. Imports of necessary supplies of raw materials for further manufacture are also on a larger scale. As we look back to the years when railways were being extended across the Dominion and western Canada was being settled, it will be recalled that there were annual unfavourable balances of trade, the adverse balance in the calendar year 1913 being $222,000,000, one of the highest in our history.

The League of Nations in 1927 made an interesting comparison of the international trade of the world and for this purpose took the calendar years 1913 and 1926. It was found that in 1913 only three nations had favourable trade balances. In that year the United States had a favourable trade balance of $7.13 per capita, Argentine $6.78 per capita, and British India 60 cents per capita. Thirteen years later there were six countries with favourable balances of trade, and Canada, which in 1913 had an unfavourable balance of $29.61 per capita, in 1926 led the world with a favourable balance of $29.34 per head of population. The countries so listed are:

Country	Favourable Balance per Capita
Canada	$29 34
United States	3 22
Brazil	1 97
British India	1 01
South Africa	14
France	02

In the first nine months of the present fiscal year, viz., from April 1 to December 31, our total imports were $823,054,094; while the total exports amounted to $970,154,998, giving a favourable trade balance of $147,100,904. A comparative statement of our total trade for the same periods in the past two years follows:

	Imports April 1st to December 31st 1926	1927
Free	$277,186,180	$297,055,594
Dutiable	489,576,862	525,932,873
Electricity	66,508	65,627
Total	$766,829,550	$823,054,094
	Exports April 1st to December 31st 1926	**1927**
Domestic produce	$983,924,100	$950,103,367
Foreign	11,361,988	16,391,583
Electricity	3,452,786	3,660,048
Total	$998,738,874	$970,154,998

Both the decrease in exports, $28,000,000, and the increase in imports, $56,000,000, can be attributed principally to greater domestic demand under conditions of prosperity such as we have been enjoying. But it is also apparent that our ability to produce still exceeds our capacity to consume by a broad margin and that our exporters annually market over a billion dollars worth of goods in other lands.

Trade With Treaty Countries

Favoured nation treatment is of importance alike to basic producers and to manufacturers of finished products. Our prolonged winters tend to restrict employment in some industries while others have only a short marketing season in Canada. Consequently, to maintain a high state of efficiency, ex-

port markets are to many industries, as well as to basic producers, of almost primary importance. Canada now enjoys favourable trade relations with many foreign countries to whom we sold $157,000,000 of goods in the fiscal year 1927, purchasing in return $78,000,000.

Empire Trade

Our trade records show that in the fiscal year 1927 we sold to the empire goods to the value of $542,000,000 and purchased in return $214,000,000, collecting in duties from these imports $36,598,000. Sometimes comparisons are made to arrive at the average rates of duties assessed under various columns, so it may be pointed out in passing that nearly 35 per cent of the total duties collected on empire imports was paid on $25,711,000 of alcoholic beverages. If we except the United Kingdom from the calculations it will be noted that in the fiscal year 1927 Canada purchased from other British countries goods to the value of about $50,000,000. On these imports $4,267,000 were collected in customs, over 54 per cent of the total being paid as duties on sugar and spirits, thus showing in a broad way that the major portion of our imports from the British dominions and possessions consists of non-competitive and raw products. As practically all of our $94,000,000 of exports to those British dominions and possessions are fully manufactured, the value of working for closer trade relations within the empire is surely apparent.

Reductions in Taxes

Provision having been made for expected expenditures in the coming fiscal year and heed taken to maturing obligations, it is with pleasure and satisfaction that once again we are in a position to propose further reductions in taxation. As an added encouragement to business, as a measure of relief to taxpayers and to those provinces where local income taxes are levied, it is proposed that the Dominion shall continue gradually to lighten the load in the income tax field. Last year a reduction of ten per cent in all rates of the income tax was announced. To-day we are able to go a step further and to propose that the income tax payable by individuals be reduced an additional ten per cent. The list of exemptions is to be increased by allowing an exemption of $500 to those supporting dependents over twenty-one years of age who are incapable of self-support on account of mental or physical infirmity. In the case of corporations and joint stock companies, it is proposed that the tax be eight per cent net.

A general reduction of twenty-five per cent will be made in the sales tax.

The Customs Tariff

We come now to the customs tariff. The Advisory Board on Tariff and Taxation has concluded its hearings in respect of the textile group, excepting silk and artificial silk, and in the proposed revision there will be shown a general reduction in rates.

Cottons

Considering first the items comprising the cotton schedule, it is proposed that the maximum under the general tariff be reduced from 37½ per cent to 30 per cent with a single exception.

On a large range of household cottons, and also on cotton socks and stockings, cotton underwear and cotton clothing, the rates will be materially reduced.

Coupled with the general lowering of rates on the finished products is a lowering of rates on yarns and other materials used by the manufacturers for further processes. In the proposed changes the needs of the Canadian consumer and manufacturer have been carefully considered, while incidentally the scope of the British preference has been materially widened.

Woollens

In revising the woollen schedules two main considerations have been kept in mind, the vital necessity for warm clothing in a climate such as ours, and the position of the Canadian mills which weave woollen and worsted cloths. It is proposed to aid the Canadian weaving industry by granting free yarns for weaving purposes. The importations of woollen and worsted yarns are large, and the concession proposed should be of material assistance to the industry.

The drawback of duty on dry spun yarns will be abolished on October 1, 1928.

Material decreases in duty will be made in the preferential rate on woollen goods imported in the gray for dyeing and finishing in Canada.

There will be a reduction in the duty on all mitts and on all but the more expensive lines of woollen underwear, socks and stockings. A reduction is also proposed on certain woollen fabrics.

Linen, Flax and Jute Products

The classification of linens and of flax and jute products will be separated from that of cottons. The linen schedules now proposed will conform in structure to those relating to cottons and wollens.

In respect to the finer grades of linens, which are not produced in Canada, there will be reductions in the British preferential rates.

Silk and Artificial Silk

Practically no changes in rates are made in the silk or artificial silk items, as hearings on these groups have not been completed; but the wording of the schedules has been revised to conform to that of the cotton, woollen and linen schedules.

Textile Machinery

As a further assistance to the textile industry, the duty on machinery incidental to the working-up of fibrous materials will be adjusted. This machinery is now entered under items 467 and 468. The Department of National Revenue find difficulty in administering these items, as one overlaps the other. It is considered advisable to merge the two items into one. The new item may result in an increase in the duty on a small portion of the imports if such imports enter under the general tariff, but the reduction under the British preferential and the intermediate tariffs will more than offset that increase. On a small part of the machinery imported under the first item there will be no change, but on a large part of the importations a reduction is proposed from ten per cent to free under the British preferential tariff and from ten per cent to five per cent under the intermediate tariff.

Other Tariff Changes

The duty on machinery for mining and concentration of ores will be reduced. This reduction applies to locomotives for underground haulage in mining, to mine hoists of a class or kind not made in Canada, and to parts of certain mining machinery. It is proposed to make the duty on press blankets of a class or kind not made in Canada free under the British preferential tariff, five per cent under the intermediate tariff, and ten per cent under the general tariff. At present the imports of these blankets come in under the general tariff, the rates ranging from twenty to thirty-five per cent under different items.

It is proposed to reduce certain paper mill wrappings from fifteen to five per cent, British preferential tariff, and from twenty-five to ten per cent under the general tariff.

Flake calcium chloride, for road-treating purposes only, is placed on the free list.

It is proposed to make free under all tariffs non-alcoholic preparations or chemicals for disinfecting, dipping or spraying.

Crude petroleum, not in its natural state, imported for refining purposes, is made free under all tariffs until July 1, 1931.

The tariff rate on engines for fishing boats is now fifteen per cent under the general tariff. It is proposed that the parts therefor shall enter at the same rate. This is a reduction of twelve and a half per cent.

The present rates covering engines, and complete parts, for equipment of aircraft, are to be extended until July 1, 1930.

It is proposed to place on the free list under all tariffs nickel chromium, in bars or rods, of a class or kind not made in Canada, for use in the manufacture of electric resistance wire.

Drawbacks

Assistance is given the publishing industry by granting a drawback of 80 per cent on certain papers used in the production of magazines.

A drawback of 99 per cent is granted on bituminous coal used in melting or evaporating salt produced in Canada.

A drawback of 60 per cent is to be allowed on materials used in the manufacture of various tools when at least fifty per cent of the production cost has been incurred in Canada.

A drawback of 50 per cent is given on materials used in the manufacture of engines for the equipment of aircraft. After July 1, 1930, no drawback shall be paid unless at least 40 per cent of the cost of producing the finished engine has been incurred in Canada.

The Department of National Revenue has difficulty in administering the present tariff item 531 covering cloth for bookbinding. This item is repealed; a drawback of 99 per cent is granted instead. This will give the bookbinders practically the same concession.

The following statement classifies the proposed changes according to the industries affected:—

	Preferential Tariff		General Tariff	
	Old Rate	Proposed Rate	Old Rate	Proposed Rate
Mining Industry				
Xanthates and cresylic acid for concentrating ores and minerals	15 p.c.	Free	17½ p.c.	Free
Locomotives and motor cars for underground haulage	22½ p.c.	10 p.c.	35 p.c.	20 p.c.
Mining hoists of a class or kind not made in Canada	15 p.c.	10 p.c.	27½ p.c.	20 p.c.
Machinery for concentration of ores and minerals	15 p.c.	10 p.c.	27½ p.c.	20 p.c.
Printing and Publishing Industry				
Press blankets	22½ p.c.	Free	35 p.c.	10 p.c.
Drawback on paper used in the production of magazines	80 p.c.			
Fruit and Horticultural Industries				
Small onion plants for transplanting or propagation purposes	15 p.c.	Free	17½ p.c.	Free
Preparations or chemicals for disinfecting, dipping or spraying	10 p.c.	Free	20 p.c.	Free
Fishing				
Aluminium floats of a class or kind not made in Canada	15 p.c.	Free	25 p.c.	Free
Parts of engines for fishermen's boats	15 p.c.	10 p.c.	27½ p.c.	15 p.c.
Road-Making				
Flake calcium chloride for road-treating. Per 100 pounds	10 cents	Free	15 cents	Free
Aviation				
Engines and complete parts thereof for the equipment of aircraft—Present rates continued until July 1, 1930.				

A drawback of 50 p.c. will be allowed on materials used in the manufacture of aircraft engines. After July 1, 1930, no drawback will be paid unless at least 40 p.c. of the cost of production has been incurred in Canada.

Mechanics Tools

A drawback of 60 p.c. will be allowed on materials used in the manufacture of certain tools, when at least 50 p.c. of the cost of producing the finished article has been incurred in Canada.

Salt Industry

A drawback of 99 p.c. will be allowed on coal used in producing salt.

It is estimated that the reduction in taxation will be $19,000,000.

In order to foster empire trade there is a general tendency in the Dominions and the mother country to increase the percentage of cost of production requirements on goods receiving the benefit of the British preferential tariff. At present Canada requires 25 per cent to be empire labour and materials. It is proposed to double this percentage. There will be similar increases in the percentages required on goods entering under treaty rates and the intermediate tariff.

In summing up the statement presented to-day little need be said, because, sir, the figures, speaking for themselves, require no words to emphasize the sound position of the Dominion's balance sheet. A general tone of optimism exists throughout Canada. Nevertheless, may I be permitted a word of friendly caution as to the future.

To-day we are widening the inhabited frontiers, penetrating and developing our great northern domains. Federal and provincial governments, transportation companies, commercial corporations and individuals share in the work. It is a national undertaking of importance, for it not only develops Canada in a material way, but in addition, gives a better balance to our geographical groupings of population. Should we not profit by experiences of the past and keep this expansion within proper economic bounds, so that at no time will undue strain be placed either on the resources of the governments or of the investors.

In May, 1922, the first post-war budget presented by the government of the Right Hon. Mackenzie King was submitted to this house. Business was then passing through a period of depression, and a deficit of $81,000,000 was announced. With a view to balanc-

ing the budget, expenditures were reduced, taxation re-adjusted and measures of relief to basic industries enacted. Thus by policies beneficial to all parts of Canada, national development both in industry and population, has been encouraged. Canadians are returning home—

Some hon. MEMBERS: Oh, oh.

Mr. ROBB: Does anyone challenge my statement that Canadians are returning home?

An hon. MEMBER: Everybody.

Mr. ROBB: Canadians are returning home, desirable types of immigrants are attracted and Canada is once more building solidly for the future.

A spirit of hopefulness has been developed, and as we entered the present calendar year one could not help but note that leaders of industry and finance emphasized that the present prosperous conditions sprang from the solid growth and solvency of the basic industries of Canada.

With revenues now buoyant there is a tendency to have the Dominion embark on many new ventures, as well as a tendency towards indiscriminate private speculation. We should not, however, forget our national debt. Work and thrift are the only sure roads to success. The generation that spent the money should not shirk its responsibilities. Further taxation reductions will become possible as Canada progresses, but national progress is dependent on the wholesome goodwill we practise towards one another.

I beg to give notice that when the house resolves itself into committee, I shall move the following resolutions:

1. Resolved, That it is expedient to amend Schedule A to The Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, by striking thereout tariff items 219a, 236, 267b, 277, 291, 438, 442, 453e, 462, 465, 467, 468, 494a, 520, 521, 522, 523, 524, 524a, 524b, 525, 526, 527, 528, 529, 530, 531, 532, 533, 533a, 533b, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 543a, 544, 544a, 545, 546, 547, 548, 548a, 549, 550, 551, 552, 553, 553a, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 568a, 569, 570, 571, 572, 573, 573a, 574, 575, 575a, 575b, 576, 577, 578, 579, 580, 581, 581a 582, 583, 583a, 583aa, 583b, 583c, 583d, 590c, 610, 620, 621, 626, 627, 630, 631, 638, 638a, 639, 641, 643, 644, 645, 646, 681, 683, 721, 732, 734, 740, 750, 753, 764, 765, 772, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items, and by repealing Order in Council, P.C. 2158, dated the 9th day of November, 1927, designated as Item 790 of the Customs Tariff, and the following items, enumerations and rates of duty are inserted in Schedule A:—

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
87b	Small onion plants grown from seeds and imported for bona fide transplanting or propagation purposes only	Free	Free	Free
192a	Pulp board in rolls not less than nine one-thousandths of an inch in thickness for use in wrapping rolls of paper	5 p.c.	7½ p.c.	10 p.c.
208d	Flake calcium chloride for road-treating purposes only	Free	Free	Free
208c	Xanthates, cresylic acid and compounds of cresylic acid, used in the process of concentrating ores, metals or minerals	Free	Free	Free
219a	Non-alcoholic preparations or chemicals for disinfecting, dipping or spraying, n.o.p.	Free	Free	Free
236	Surgical dressings, antiseptic or aseptic, including absorbent cotton, lint, lamb's wool, tow, jute, oakum, woven fabric of cotton weighing not more than seven and one-half pounds per one hundred square yards, whether imported singly or in combination one with another, but not stitched or otherwise manufactured; surgical trusses and suspensory bandages of all kinds; sanitary napkins, spinal braces and abdominal supports	12½ p.c	17½ p.c.	20 p.c.
267b	Crude petroleum not in its natural state ·725 specific gravity or heavier at 60 degrees temperature, when imported by oil refineries to be refined in their own factories	Free	Free	Free
	On and after the 1st July, 1931, per gallon	3/10 ct.	4/10 ct.	½ ct.
277	Palm and palm kernel oil, unbleached or bleached, not edible; shea butter	Free	Free	Free
356b	Nickel chromium, in bars or rods not more than three-fourths of an inch in diameter, containing more than sixty per cent nickel and more than			

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
	ten per cent chromium, of a class or kind not manufactured in Canada, when imported by manufacturers of electric resistance wire and electric resistance strip or ribbon for use only in the manufacture of such articles in their own factories....	Free	Free	Free
438	Locomotives and motor cars for railways and tramways, and chassis, tops, wheels and bodies for same, n.o.p.....	22½ p.c.	30 p.c.	35 p.c.
438e	Locomotives and motor cars for railways and tramways, of a class or kind adapted for underground haulage for use only in mining operations.....	10 p.c.	15 p.c.	20 p.c.
442	Printing presses, lithographic presses, and type making accessories therefor, also machines specially designed for ruling, folding, binding, embossing, creasing or cutting paper or cardboard, sheet feeding machines, when for use exclusively by printers, bookbinders and by manufacturers of articles made from paper or cardboard—including parts thereof composed wholly or in part of iron, steel, brass or wood; machinery and complete parts thereof for printing by photographic methods on plates for use on lithographic and offset presses; stereotypers' and typecasters' blankets, and press blankets used in covering cylinders on rotary printing presses, of a class or kind not made in Canada.....	Free	5 p.c.	10 p.c.
453e	Engines and complete parts thereof to be used exclusively in the propulsion of boats bona fide owned by individual fishermen for their own use in the fisheries, under regulations prescribed by the Minister of National Revenue.....	10 p.c.	12½ p.c.	15 p.c.
453g	Machinery for the concentration of ores, metals or minerals, viz.:—flotation machines, pumps, vibrating and impact screens, jigs, magnetic separators and filters, when for use in the concentration or separation of ores, metals or minerals, and integral parts of all machinery mentioned in this item.....	10p.c.	15 p.c.	20 p.c.
453h	Mine hoists of a class or kind not made in Canada...	10 p.c.	15 p.c.	20 p.c.
462	Blowers of iron or steel of a class or kind not made in Canada, for use in the smelting of ores, or in reduction, separation or refining of metals, ores or minerals; rotary kilns, revolving roasters and furnaces of metal of a class or kind not made in Canada, designed for roasting ore, mineral, rock or clay; furnace slag trucks and slag pots of a class or kind not made in Canada, and integral parts of all machinery mentioned in this item.....	Free	Free	Free
465	The following articles and materials when imported by manufacturers of automatic gas buoys and automatic gas beacons, for use in the manufacture of such buoys and beacons for the Government of Canada, for marine signal purposes or for export, under regulations prescribed by the Minister, viz:—iron or steel tubes over sixteen inches in diameter; flanged and dished steel heads made from boiler plate, over five feet in diameter; hardened steel balls, not less than three inches in diameter; acetylene gas lanterns and parts thereof; and tobin bronze in bars or rods.....	Free	Free	Free
468	Machinery and apparatus, of a class or kind not made in Canada, and parts thereof, especially constructed for preparing, manufacturing, testing or finishing yarns, cordage and fabrics made from textile fibres, or for use in factory operations incidental thereto, imported for the exclusive use of manufacturers and scholastic or charitable institutions in such processes only.....	Free	5 p.c.	10 p.c.
494a	Cork slabs, boards, planks and tiles produced from cork waste or granulated or ground cork.....	15 p.c.	17½ p.c.	25 p.c.
520	Raw cotton and cotton linters not further manufactured than ginned; rags and waste wholly of cotton unfit for use without further manufacture, not to include used garments nor waste portions of unused fabrics.....	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
520a	Waste portions of unused fabrics or used garments, wholly of cotton, imported by manufacturers to be used exclusively for disintegrating, or for manufacture into wiping rags in their own factories....	Free	Free	Free
520b	Garnetted material wholly of cotton, obtained by disintegrating yarns or fabrics, prepared for use; cotton wiping rags and wiping waste; waste portions of unused fabrics and rags and waste wholly of cotton, sold by weight, not to include remnants nor mill ends, n.o.p.....	7½ p.c.	10 p.c.	12½ p.c.
520c	Linters of short fibres of cotton, bleached, when imported by manufacturers of paper to be used only in their own factories for the manufacture of blotting paper or other grade of paper.....	7½ p.c.	10 p.c.	12½ p.c.
521	Batts, batting and carded sliver wholly of cotton, not bleached, coloured nor impregnated; cotton fibres, bleached or coloured, n.o.p.....	5 p.c.	10 p.c.	12½ p.c.
521a	Batts, batting, sheet wadding and carded sliver wholly of cotton, n.o.p.....	7½ p.c.	15 p.c.	17½ p.c.
522	Rovings, yarns and warps wholly of cotton not exceeding number twenty, not more advanced than singles.....	10 p.c.	15 p.c.	20 p.c.
522a	Yarns and warps wholly of cotton exceeding number twenty, but not exceeding number forty, not more advanced than singles.....	12½ p.c.	15 p.c.	22½ p.c.
522b	Yarns and warps wholly of cotton exceeding number forty, not more advanced than singles.....	7½ p.c.	10 p.c.	15 p.c.
522c	Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p.; cotton yarns not more advanced than singles, wholly or partially covered with metallic strip, generally known as tinsel thread.....	15 p.c.	22½ p.c.	25 p.c.
522d	Yarns and warps wholly of cotton, mercerised, number forty and finer, imported by manufacturers for use exclusively in their own factories....	Free	10 p.c.	15 p.c.
522e	Yarns wholly of cotton, exceeding number twenty, and not exceeding number forty, not more advanced than singles; cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, composed of three strands or more, not bleached, coloured nor mercerised; imported by manufacturers who manufacture cotton sewing thread and crochet, knitting, darning and embroidery cottons only for use exclusively in their own factories in the manufacture of those materials.....	7½ p.c.	15 p.c.	20 p.c.
523	Woven fabrics wholly of cotton, not bleached, mercerised nor coloured, n.o.p.....	12½ p.c.	20 p.c.	22½ p.c.
523a	Woven fabrics wholly of cotton, bleached or mercerised, n.o.p.....	15 p.c.	22½ p.c.	25 p.c.
523b	Woven fabrics wholly of cotton, n.o.p.....	20 p.c.	25 p.c.	27½ p.c.
523c	Woven fabrics wholly of cotton manufactured from yarns of more than one colour, n.o.p.....	20 p.c.	25 p.c.	30 p.c.
523d	Woven fabrics wholly of cotton, imported by manufacturers of corsetry, for use exclusively in the manufacture of such articles in their own factories..	12½ p.c.	17½ p.c.	20 p.c.
523e	Woven fabrics wholly of cotton with cut pile, n.o.p..	17½ p.c.	25 p.c.	30 p.c.
524	Seamless cotton duck in circular form, of a class or kind not made in Canada, for use in the manufacture of hose pipe.....	Free	Free	Free
525	Sheets, pillow cases, diapers, tray cloths, quilts, counterpanes, towels, bath mats, wash cloths, table-cloths, napkins, dresser scarves, curtains, consisting of woven fabrics wholly of cotton, not further manufactured than hemmed or hemstitched, not coloured, not embroidered nor otherwise ornamented.....	15 p.c.	25 p.c.	27½ p.c.
526	Household blankets wholly of cotton, not to include horse blankets, automobile or steamer rugs nor similar articles.....	15 p.c.	22½ p.c.	27½ p.c.
527	Boot, shoe, shirt and stay laces of cotton.....	15 p.c.	25 p.c.	30 p.c.
528	White cotton bobinet, plain, in the web.....	15 p.c.	22½ p.c.	25 p.c.
529	Embroideries, lace, braids, bobinet, n.o.p., fringes and tassels; manufactures of lace; handkerchiefs and pillow shams; curtains, n.o.p.; all articles specified in this item to be wholly of cotton.....	20 p.c.	27½ p.c.	30 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
529a	Lace and embroideries wholly of cotton, not coloured imported by manufacturers for use exclusively in the manufacture of underwear in their own factories	12½ p.c.	17½ p.c.	20 p.c.
530	Socks and stockings wholly or in part of vegetable fibres, but not containing silk, artificial silk nor wool, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
531	Knitted fabric wholly of cotton, in the web, imported by manufacturers of rubber boots and shoes for use exclusively in the manufacture of such articles in their own factories	10 p.c.	20 p.c.	25 p.c.
532	Clothing, wearing apparel and articles, made from woven or knitted fabrics and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p.	22½ p.c.	25 p.c.	30 p.c.
532a	Shirts, not knitted, collars and cuffs, wholly of cotton	20 p.c.	30 p.c.	32½ p.c.
533	Sails for boats and ships	15 p.c.	22½ p.c.	25 p.c.
534	Braided candle-wick with or without wire centre or braided taper-wick with or without wire centre when imported by manufacturers of wax candles or wax tapers for use only in their own factories in the manufacture of wax candles or wax tapers	Free	Free	Free
535	Grasses, seaweed, mosses and vegetable fibres other than cotton, not coloured, nor further manufactured than dried, cleaned, cut to size, ground and sifted; oakum of flax, hemp, or jute; coir and coir yarn	Free	Free	Free
535a	Grasses, seaweed, mosses and vegetable fibres other than cotton, n.o.p.	10 p.c.	17½ p.c.	17½ p.c.
535b	Rags and waste unfit for use without further manufacture, not to include used garments nor waste portions of unused fabrics, n.o.p.	Free	Free	Free
535c	Waste portions of unused fabrics or used garments, n.o.p., imported by manufacturers to be used exclusively for disintegrating or for manufacture into wiping rags in their own factories	Free	Free	Free
535d	Garnetted material obtained by disintegrating yarns or fabrics, prepared for use, n.o.p.; wiping rags and wiping waste, n.o.p.; waste portions of unused fabrics, rags and waste, sold by weight, not to include remnants nor mill ends, n.o.p.	7½ p.c.	10 p.c.	12½ p.c.
536	Batts, batting, sheet wadding and carded sliver of vegetable fibres, n.o.p.	12½ p.c.	22½ p.c.	25 p.c.
537	Rovings, yarns and warps wholly or in part of vegetable fibres, not more advanced than singles, n.o.p., not to contain silk, artificial silk nor wool	12½ p.c.	17½ p.c.	25 p.c.
537a	Rovings, yarns and warps wholly or in part of vegetable fibres, including yarn twist, cords and twines generally used for packaging and other purposes, n.o.p., not to contain silk, artificial silk nor wool.	20 p.c.	22½ p.c.	25 p.c.
537b	Linen thread for hand or machine sewing	15 p.c.	22½ p.c.	25 p.c.
537c	Rovings, yarns and warps wholly of vegetable fibres other than cotton, not to include materials for sewing, stitching nor packaging purposes, imported by manufacturers for use exclusively in their own factories in weaving fabrics or insulating wire	Free	10 p.c.	15 p.c.
538	Binder twine or twine for harvest binders	Free	Free	Free
538a	Articles which enter into the cost of the manufacture of binder twine, or twine for harvest binders, when imported for such use exclusively by manufacturers who manufacture such twine only	Free	Free	Free
539	Cordage, exceeding one inch in circumference, wholly of vegetable fibres, n.o.p.	20 p.c.	22½ p.c.	25 p.c.
540	Woven fabrics, wholly of flax, or of flax and cotton, not bleached, mercerised nor coloured, n.o.p.	15 p.c.	25 p.c.	27½ p.c.
540a	Woven fabrics, wholly of flax, or of flax and cotton, n.o.p.	20 p.c.	30 p.c.	32½ p.c.
540b	Woven or braided fabrics wholly of flax or cotton, or both, generally known as tapes or webbing, not exceeding twelve inches in width, with cut pile or not	20 p.c.	27½ p.c.	30 p.c.
541	Woven fabrics, wholly of hemp, or jute, or both, not bleached not coloured, n.o.p.	Free.	5 p.c.	10 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
541a	Woven fabrics, wholly of hemp, or jute, or both, n.o.p.	15 p.c.	22½ p.c.	25 p.c.
541b	Woven or braided fabrics, wholly of hemp or jute, or both, not exceeding twelve inches in width	15 p.c.	22½ p.c.	25 p.c.
542	Woven or knitted fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, artificial silk nor wool	20 p.c.	27½ p.c.	30 p.c.
542a	Woven or braided fabrics not exceeding twelve inches in width, wholly or in part of vegetable fibres, n.o.p., not to contain silk, artificial silk nor wool	20 p.c.	27½ p.c.	30 p.c.
543	Sail twine and canvas of hemp, or flax, imported for use in the manufacture of boats' and ships' sails	Free	5 p.c.	10 p.c.
544	Sheets, pillow-cases, diapers, tray-cloths, quilts, counterpanes, towels, bath mats, wash cloths, table-cloths, napkins, dresser scarves, consisting of woven fabrics wholly of vegetable fibres, not further manufactured than hemmed or hemstitched, not coloured, not embroidered nor otherwise ornamented, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
544a	Handkerchiefs consisting of woven fabrics wholly of flax or of flax and cotton, not further manufactured than hemmed or hemstitched, not coloured, not embroidered nor otherwise ornamented	20 p.c.	30 p.c.	32½ p.c.
544b	Handkerchiefs composed of flax or of flax and cotton, n.o.p.	22½ p.c.	32½ p.c.	35 p.c.
545	Lace and embroideries, wholly of flax, or of flax and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of underwear in their own factories	12½ p.c.	17½ p.c.	20 p.c.
546	Articles made from fabrics, finished or unfinished, and all textile manufactures, wholly of hemp or of jute, or of both, n.o.p.; fabrics, wholly of hemp or jute, or of both, coated or impregnated	12½ p.c.	25 p.c.	30 p.c.
547	Bags or sacks of hemp, linen or jute, and cotton seamless bags; bags in which cement or lime mentioned in Tariff Item 290 is imported	15 p.c.	17½ p.c.	20 p.c.
548	Clothing, wearing apparel and articles, made from woven or knitted fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing silk, artificial silk, nor wool, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, artificial silk nor wool, n.o.p.	22½ p.c.	30 p.c.	35 p.c.
548a	Clothing and hats made from oiled fabric of cotton or flax, or both	15 p.c.	25 p.c.	30 p.c.
548b	Collars and cuffs wholly of flax or of flax and cotton	20 p.c.	30 p.c.	35 p.c.
549	Wool, the hair of the camel, alpaca, goat or other like animal, not further prepared than combed	Free.	Free.	Free.
549a	Hair, cleaned or uncleaned, but not curled, dyed nor otherwise manufactured; and horse hair not further manufactured than simply cleaned and dipped or dyed	Free	Free	Free
549b	Hair, curled or dyed, n.o.p.	12½ p.c.	17½ p.c.	20 p.c.
550	Rags and waste, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, unfit for use without further manufacture, not to include used garments nor waste portions of unused fabric.	Free	Free	Free
550a	Waste portions of unused fabrics or used garments wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers to be used exclusively for disintegrating in their own factories	Free	Free	Free
550b	Garnetted material, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, obtained by disintegrating yarns or fabrics, prepared for use; waste portions of unused fabrics, rags and waste, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, sold by weight, not to include remnants nor mill ends, n.o.p.	7½ p.c.	10 p.c.	12½ p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
550c	Garnetted wool waste in the white when imported by manufacturers of woollen goods for use exclusively in their own factories	Free	Free	Free
551	Yarns composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p.	20 p.c.	22½ p.c.	25 p.c.
551a	Yarns and warps composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers for use exclusively in their own factories, n.o.p.	12½ p.c.	17½ p.c.	20 p.c.
551b	Yarns and warps composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers for use exclusively in their own factories, in the weaving of woollen or worsted fabrics (but not including carpets nor floor rugs)	Free	10 p.c.	12½ p.c.
551c	Yarns composed wholly or in chief value of merino wool, not more advanced than singles, dry spun on the French or Belgian systems, but not containing silk nor artificial silk, imported by manufacturers of knitted goods for use exclusively in the manufacture of such goods in their own factories	10 p.c.	17½ p.c.	20 p.c.
552	Felt, pressed, of all kinds, in the web, not consisting of or in combination with any woven, knitted or other fabric or material	15 p.c.	22½ p.c.	25 p.c.
553	Household blankets, n.o.p., not to include horse blankets, automobile rugs, steamer rugs nor similar articles	22½ p.c.	30 p.c.	35 p.c.
554	Woven fabrics, composed wholly or in chief part by weight, of wool, the hair of the camel, alpaca, goat or other like animal, not exceeding in weight six ounces to the square yard, when imported in the gray, unfinished condition, for the purpose of being dyed and finished in Canada	10 p.c.	22½ p.c.	25 p.c.
554a	Woven fabrics, consisting of cotton warps with wefts wholly of mohair or alpaca or both, generally known as lustres or Italian linings, n.o.p.	10 p.c.	20 p.c.	25 p.c.
554b	Woven or knitted fabrics composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, not exceeding in weight five ounces to the square yard, n.o.p.	22½ p.c.	30 p.c.	35 p.c.
554c	Woven or knitted fabrics, felted or not, including all such fabrics with cut pile, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, n.o.p.	27½ p.c.	35 p.c.	35 p.c.
554d	Woven or braided fabrics not exceeding twelve inches in width, whether with cut pile or not, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal	27½ p.c.	35 p.c.	35 p.c.
555	Clothing, wearing apparel and articles made from woven or knitted fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk, nor artificial silk, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p.	27½ p.c.	35 p.c.	35 p.c.
556	Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, valued at more than $1.50 per pound	27½ p.c.	32½ p.c.	35 p.c.
556a	Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, valued at more than 90 cents per pound, but not exceeding $1.50 per pound	25 p.c.	32½ p.c.	35 p.c.
556b	Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
557	Silk cocoons; raw silk, not more advanced than singles, not to include material wholly or partially degummed; rags and waste wholly of silk, artificial silk or similar synthetic fibres produced by chemical processes, unfit for use without further manufacture, not to include used garments nor waste portions of unused fabrics	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
557a	Waste portions of unused fabrics, or used garments, wholly of silk, artificial silk or similar synthetic fibres produced by chemical processes, imported by manufacturers to be used exclusively for disintegrating in their own factories	Free	Free	Free
557b	Garnetted material wholly of silk, artificial silk or similar synthetic fibres, produced by chemical processes, obtained by disintegrating cocoons, yarns or fabrics, prepared for use; filaments or loose fibres wholly of silk, artificial silk or similar synthetic fibres produced by chemical processes, not more advanced than in the form of sliver; waste portions of unused fabrics, rags and waste, wholly of silk, artificial silk or similar synthetic fibres, not to include remnants nor mill ends, n.o.p.	5 p.c.	7½ p.c.	10 p.c.
558	Yarns and warps wholly of thrown silk, in the gum	10 p.c.	12½ p.c.	15 p.c.
558a	Rovings, yarns and warps wholly of spun silk, generally known as schappe and bourette, not more advanced than singles	10 p.c.	12½ p.c.	15 p.c.
558b	Rovings, yarns and warps wholly of artificial silk, or similar synthetic fibres, produced by chemical processes, not more advanced than singles	12½ p.c.	17½ p.c.	20 p.c.
558c	Rovings, yarns and warps wholly or in part of silk, n.o.p.; including threads, cords or twist for sewing, embroidering or other purposes	17½ p.c.	22½ p.c.	25 p.c.
558d	Rovings, yarns and warps wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p., including threads, cords or twist for sewing, embroidering or other purposes, not to contain silk	17½ p.c.	22½ p.c.	25 p.c.
558e	Yarns and warps, wholly of thrown silk in the gum, rovings, yarns and warps, wholly of spun silk, not coloured, imported by manufacturers for use exclusively in their own factories for knitting underwear, for weaving or for the manufacture of silk thread	Free	7½ p.c.	10 p.c.
559	Black mourning crapes	10 p.c.	17½ p.c.	20 p.c.
560	Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed or bleached, not less than twenty inches in width, imported for the purpose of being degummed, dyed and finished in Canada	12½ p.c.	22½ p.c.	35 p.c.
560a	Woven fabrics wholly of silk, exceeding twenty-six inches in width	17½ p.c.	32½ p.c.	35 p.c.
560b	Woven fabrics wholly of silk, twenty-six inches in width, or less, n.o.p	17½ p.c.	32½ p.c.	35 p.c.
560c	Woven fabrics composed in part of silk, n.o.p., knitted fabrics wholly or in part of silk, not to contain wool	22½ p.c.	32½ p.c.	35 p.c.
560d	Woven fabrics with cut pile, generally known as velvets and plushes, with pile wholly of silk or artificial silk, but not containing wool, exceeding twenty-four inches in width	17½ p.c.	32½ p.c.	35 p.c.
560e	Woven fabrics with cut pile, generally known as velvets and plushes, with pile wholly of silk or artificial silk, but not containing wool, twenty-four inches in width or less, n.o.p	17½ p.c.	32½ p.c.	35 p.c.
561	Woven fabrics wholly of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p	17½ p.c.	32½ p.c.	35 p.c.
561a	Woven fabrics composed in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p., knitted fabrics wholly or in part of such artificial silk, not to contain silk nor wool	22½ p.c.	32½ p.c.	35 p.c.
562	Woven fabrics not exceeding twelve inches in width, generally known as "ribbons", whether with cut pile or not, wholly or in part of silk but not containing wool	22½ p.c.	32½ p.c.	35 p.c.
562a	Woven fabrics not exceeding twelve inches in width, generally known as "ribbons," whether with cut pile or not, wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, but not containing silk nor wool	22½ p.c.	32½ p.c.	35 p.c.
563	Bolting cloth, not made up	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
564	Woven fabrics wholly, or in chief part by weight, of silk or artificial silk, or both, imported in the web in lengths of not less than ten yards each by manufacturers of neckties for use exclusively in the manufacture of such articles in their own factories	17½ p.c.	20 p.c.	20 p.c.
565	Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, n.o.p.; bobinet, manufactures of lace, handkerchiefs, pillow shams and curtains, n.o.p	25 p.c.	32½ p.c.	35 p.c.
566	Socks and stockings wholly or in part of silk	25 p.c.	32½ p.c.	35 p.c.
566a	Socks and stockings wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, but not containing silk	25 p.c.	32½ p.c.	35 p.c.
567	Clothing, wearing apparel and articles, made from woven or knitted fabrics and all textile manufactures, n.o.p., wholly or partially manufactured; fabrics, coated or impregnated, n.o.p.; all composed wholly or in part of silk	30 p.c.	35 p.c.	37½ p.c.
567a	Clothing, wearing apparel and articles made from woven or knitted fabrics and all textile manufactures, n.o.p., wholly or partially manufactured; fabrics, coated or impregnated, n.o.p.; all composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes but not containing silk	30 p.c.	35 p.c.	37½ p.c.
567b	Church vestments of any material	12½ p.c.	17½ p.c.	20 p.c.
568	Knitted garments, n.o.p., knitted goods, n.o.p., knitted underwear, n.o.p., all to be valued at more than 90 cents per pound	20 p.c.	30 p.c.	35 p.c.
568a	Knitted garments, n.o.p., knitted goods, n.o.p., knitted underwear, n.o.p., all to be valued at 90 cents per pound, or less	15 p.c.	30 p.c.	35 p.c.
569	Hats, caps, hoods and bonnets, n.o.p.; hat and bonnet crowns and hat, cap and bonnet shapes	22½ p.c.	30 p.c.	35 p.c.
569a	Unfinished hoods, composed of leghorn, manila, palm leaf, grass, willow or chip, not bleached nor blocked	Free	5 p.c.	7½ p.c.
569b	Hat sweats, cap peaks, hatters' tips and sides when cut to shape, imported by manufacturers for use exclusively in the manufacture of hats and caps in their own factories	Free	5 p.c.	7½ p.c.
569c	Braids or plaits, of chip, palm leaf, manila, willow, osier, rattan, straw, tuscan or grass; br ids or plaits of artificial silk or similar synthetic fibre produced by chemical processes; braids or plaits of glazed cotton thread; all to be imported for use exclusively in the manufacture of hat bodies or shapes, but not for ornamentation or trimming of such bodies or shapes	Free	5 p.c.	7½ p.c.
569d	Woven fabrics, not exceeding three inches in width, in lengths of not less than eighteen yards, of a class or kind not made in Canada, generally known as "single, double or four shot corded ribbon", imported by manufacturers for use exclusively in their own factories in making the bands on hats or in binding the edge of the hat brim	Free	5 p.c.	7½ p.c.
570	Mats, door or carriage, other than metal, n.o.p	25 p.c.	30 p.c.	35 p.c.
571	Carpeting, rugs, mats and matting of cocoa, straw, hemp or jute; carpet linings and stair pads	15 p.c.	22½ p.c.	25 p.c.
572	Turkish or imitation Turkish or other floor rugs or carpets, and carpets, n.o.p	25 p.c.	30 p.c.	35 p.c.
573	Enamelled carriage, floor, shelf and table oilcloth, linoleum, and cork matting or carpets	25 p.c.	32½ p.c.	35 p.c.
574	Woven fabrics, non-elastic, not exceeding three inches in width, imported by manufacturers of suspenders, garters and hose supporters for use exclusively in the manufacture of such articles in their own factories	10 p.c.	17½ p.c.	20 p.c.
574a	Webbing, with strands of rubber interwoven, or braided therein, not exceeding twelve inches in width; round elastic braid	20 p.c.	32½ p.c.	35 p.c.
574b	Webbing, with strands of rubber interwoven or braided therein, exceeding one inch but not exceeding twelve inches in width, imported by manufacturers for use exclusively in their own factories	12½ p.c.	20 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
575	Cordage exceeding one inch in circumference, n.o.p.	20 p.c.	22½ p.c.	25 p.c.
576	Window shades mounted on rollers, n.o.p.	20 p.c.	30 p.c.	35 p.c.
577	Collars and cuffs of xylonite, xyolite or celluloid	15 p.c.	20 p.c.	25 p.c.
578	Regalia, badges and belts of all kinds, n.o.p., except silk belts	22½ p.c.	30 p.c.	35 p.c.
590c	Engines and complete parts thereof, when imported for use only in the equipment of aircraft	Free	7½ p.c.	10 p.c.
	On and after 1st July, 1930	15 p.c.	25 p.c.	27½ p.c.
610	Belting for machinery, n.o.p.	20 p.c.	25 p.c.	27½ p.c.
620	Tinsel wire when imported by manufacturers of braids, cords, tassels, ribbons or trimmings, for use only in the manufaccure of such articles in their own factories	5 p.c.	7½ p.c.	10 p.c.
621	Nitrate of thorium and nitrate of cerium for use in the manufacture of incandescent gas mantles, when imported by manufacturers of such mantles or of stocking for such mandles	Free	Free	Free
622	Twine or yarn of paper when imported by manufacturers of furniture for use only in their own factories in the manufacture of furniture	Free	Free	Free
627	Gloves of all kinds	22½ p.c.	30 p.c.	35 p.c.
627a	Mitts or mittens of all kinds	15 p.c.	25 p.c.	30 p.c.
630	Boot, shoe, shirt and stay laces, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
681	Junk, old; paper waste clippings and waste of all kinds, n.o.p., except metallic; broken glass or glass cullet	Free	Free	Free
682a	Aluminum net floats of a class or kind not made in Canada, for use only in deep-sea or lake fishing, not to include floats for sportsmen's use	Free	Free	Free

2. Resolved, That Schedule B to The Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by striking thereout tariff items 1011, 1012, 1024, 1029, the enumeration of goods, and the rates of drawback of Customs duties set opposite to each of the said items, and the following items, enumerations and rates of drawback of Customs duties be inserted in the said Schedule B:—

Tariff Item	Goods	When Subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1011	Botany yarn, single, numbers thirty and finer, on mule cops, tubes or cones, or in hanks, dry spun on the French or Belgian systems, in white only, not doubled or twisted.	When used prior to the first day of October, 1928, in the manufacture of socks and stockings and Jersey cloth	99 p.c.
1012	Woven fabrics in the web	When used in the manufacture of linings for hats and caps	99 p.c.
1024	Yarns composed in chief value of wool, single, numbers thirty and finer, on mule cops, tubes or cones, or in hanks, dry spun on the French or Belgian systems, in white only, not doubled or twisted.	When used prior to the first day of October, 1928, in the manufacture of socks and stockings	99 p.c.
1029	Materials	When imported by manufacturers of hat sweats, cap peaks and hatters' tips and sides when used in the manufacture of such articles in their own factories	99 p.c.
1060	Newsprint paper, machine finished book grades of paper, not coated, coated or supercalendered book grades of paper, when imported under tariff items 197, 197a, or 198a.	When used exclusively in the production in Canada of magazines or periodicals, including farm journals, printed, published and issued at regular intervals, and enjoying second-class postal privileges, containing critical, informative and descriptive arti-	

Tariff Item	Goods	When Subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
		cles on various subjects, current topics, political and other news or reviews, criticism or other informative matter, or fiction, being bound, wire stitched or otherwise fastened together.....	80 p.c.
1061	Woven fabric manufactured for covering the outside of books, of a class or kind not made in Canada.	When imported by bookbinders for use exclusively in binding books in their own factories.....	99 p.c.
1062	Materials, including all parts.....	When used in the manufacture of bit braces, marking gauges of metal or wood, levels of metal or wood, planes or hand tool scrapers of metal or wood, spoke shaves, try squares and bevels with metal or wood handles: Provided that no drawback shall be paid under this item unless at least fifty per cent of the cost of producing the finished article has been incurred in Canada; And provided further that no drawback under this item shall be payable more than once on any article.....	60 p.c.
1063	Materials, including all parts.....	When used in the manufacture of engines for use only in the equipment of aircraft: Provided that on and after July 1, 1930, no drawback shall be paid under this item unless at least forty per cent of the cost of producing the finished engine has been incurred in Canada.....	50 p.c.
1064	Seamless iron or steel tubing over four inches in diameter.....	When used in the transmission of natural gas under high pressure from the gas wells to point of distribution.....	50 p.c.
1065	Bituminous coal.....	When used in melting or evaporating salt produced in Canada: Provided that no drawback under this item shall be payable on coal used in producing salt or brine when such salt or brine is further manufactured than salt enumerated in tariff items 40, 41, 42, and 42a.....	99 p.c.

3. Resolved, That any enactment founded on the foregoing resolutions shall be deemed to have come into force on the seventeenth day of February, one thousand nine hundred and twenty-eight, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for which no entry for consumption was made before that day.

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

1. That the schedule of rates of Income Tax pertaining to individuals be reduced for the year 1927 and thereafter by twenty per centum.

2. That the Income Tax of companies for the year 1927 and thereafter be eight per centum.

3. That allowance for exhaustion of mining lands, oil and gas wells and timber limits be afforded to and apportioned between lessee and lessor.

4. That the income from the operation of ships owned or operated by a non-resident person or corporation be exempt from taxation, provided that the country of residence grants an equivalent exemption in favour of a person or corporation resident in Canada.

5. That $500.00 exemption be given persons supporting dependents twenty-one years of age and over, incapable of self-support on account of mental or physical infirmity.

6. That upon election by the trustee controlling a superannuation pension fund or plan to have the investment income exempt from taxation the contributions by employees shall not be exempt.

7. That provision be made for procuring information as to payments made from the source of payment.

Resolved, That it is expedient to introduce a measure to amend the Special War Revenue

Act, chapter 179 of the Revised Statutes of Canada, 1927, and to provide:

1. That section eighty of the said Act which imposes an excise tax on automobiles adaptable for passenger use be amended by adding thereto the following subsection:

"4. When goods of any class mentioned in schedule I are manufactured or produced in Canada and are for use by the manufacturer or producer thereof and not for sale, such goods shall, for the purposes of this part, be deemed to have been manufactured or produced in Canada and sold, and the sale shall be deemed to have taken place when the goods are used or appropriated for use. The Minister may determine the value of the said goods for the tax."

2. That the rate of consumption or sales tax be reduced to 3 per cent and that any enactment which may be founded on this resolution No. 2, shall be deemed to have come into force on the seventeenth day of February, 1928, and to have applied to goods imported or taken out of warehouse for consumption on or after that date and to have applied to goods previously imported for which no entry for consumption was made before that date.

Resolved, That it is expedient to introduce a measure to amend The Copper Bounties Act, 1923, and to provide that the payment of bounties at the rate of one-half of one cent per pound on copper bars or rods, as described in the said Act, be continued up to the thirtieth day of June, 1931.

1. Resolved, That it is expedient to amend schedule A to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927.

2. Resolved, That schedule B to The Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended.

3. Resolved, That any enactment founded on the foregoing resolutions shall be deemed to have come into force on the seventeenth day of February, 1928.

4. Resolved, That it is expedient to amend The Income War Tax Act.

5. Resolved, That it is expedient to introduce a measure to amend the Special War Revenue Act, chapter 179 of the Revised Statutes of Canada, 1927.

6. Resolved, That it is expedient to introduce a measure to amend The Copper Bounties Act, 1923.

On motion of Mr. Cahan the debate was adjourned.

On motion of Mr. Mackenzie King, the house proceeded to the consideration of public bills and orders.

GRADING OF WHEAT

PROPOSED REVISION OF STATUTORY DEFINITIONS OF GRADES

The house resumed from Wednesday, February 15, consideration of the motion of Mr. Millar:

That, in the opinion of this house the statutory definitions applying to all contract grades of wheat in the western inspection division, should be amended in such a manner as to provide for including protein as a factor.

[Mr. Robb.]

Mr. M. N. CAMPBELL (Mackenzie): When the house rose at six o'clock last night I was endeavouring to explain why, in my opinion, the resolution, in so far as creating a statutory grade for the protein contents of grain, is difficult of application. I realize that there are a great many difficulties in the way of putting this into effect at the present time, but I am very much in favour of further research work in connection with it. I suggested to the minister—and may I emphasize it again—the necessity for increasing the facilities at the bureau at Winnipeg and giving Dr. Birchard all the help that he requires to carry out this work. I believe if that bureau is properly equipped and manned it will be a great help to the farmers of the prairies. A farmer who considers that he has grain of a high protein content and high protein quality can send his sample to this bureau and receive a test, and find out just what its value is before he ships it from his farm. It seems to me that would simplify matters very considerably, and I would again request the minister to agree to have this resolution sent to the committee on agriculture and colonization. I believe that, if it is referred to that committee and those who are interested are given an opportunity to present their views, we will get some information that will put this house in a better position than at present to determine just in what way to proceed. If the grain dealers, representatives of the pool, the millers and the farmer's organizations can come and present their views, I believe that committee will be in a position to make some concrete and constructive proposals to this house as to how the matter should be further dealt with.

Mr. J. G. ROSS (Moose Jaw): Mr. Speaker, in speaking to this important resolution, I first of all wish to state that I do not at the present time think we should force the standard board or the board of grain commissioners to have protein taken into consideration without first having the question investigated by the advisory council for scientific and industrial research, and also the committee on agriculture and colonization of the House of Commons. We are in this position in this country in regard to our grain, that we have no scientific basis for grading our grain upon the milling value contained in our wheat. It is about the only commodity that we handle in large quantities whose value is not yet set on the proper basis of what is contained in the product. May I read a

definition of what I consider the proper grading system:

> Commercial standards of any commodity to be of the greatest value must be such as to classify the commodity according to its value for the industry for which it is most extensively used. The grades in these standards should be definite enough to ensure uniformity of application, simple enough to be practical of application where the commodity is first inspected and stringent enough to indicate real differences in value.

Wheat is used most extensively for milling into flour to be made into bread. Flour is used by different classes of consumers; first, by the domestic consumer or the housewife who makes her own bread in her own house, and second by the commercial consumer or baker. The housewife wants one class of flour and the baker wants another, and therefore the miller mills two kinds of flour for the two different consumers. The housewife requires a flour that will make a wholesome loaf of bread of good texture and colour. She does not want a flour that takes too much work or kneading. She does not care whether the flour will absorb a great deal of moisture or not, and is not greatly concerned whether she gets the last loaf of bread out of a bag or barrel of flour. On the other hand, the baker wants a loaf of good volume, fine texture, light and of good colour. It is very important to the baker that he gets the last loaf out of the bag or barrel, and it is very important to him that the flour shall absorb a large amount of water, because that water goes into the weight of the product that he sells, and water costs much less than flour. The miller knows these things and mills all kinds of flour. The most important point to the miller in milling flour is that he shall mill each and every bag and barrel, in each and every year, of the same standard of the brand that he sells. That is he must have his flour of the same strength in every year for the same brand. Otherwise, if the housewife or the baker used one grade or brand of flour this year and the same grade or brand next year but having a different strength, using the same ingredients, the result, while it might be quite successful in one case, might be a complete failure in the next. The most important point, therefore, is to see that the standard of flour is kept uniform at all times. This has a very definite bearing on the protein content and quality of protein in our wheat. The important factors to the miller are yield, baking strength, colour and moisture content of the grain. These are the things that the miller looks for. But our grain is not graded today on the basis of these factors in any respect. Under the present grading system the Grain Act provides, as the hon. member for Qu'Appelle (Mr. Millar) pointed out yesterday, that No. 1 Manitoba northern wheat shall include all varieties of hard, red spring wheat equal in value to marquis. But all of us who grow grain know that marquis itself is not of uniform value in different parts of the country, and there is nothing in the Grain Act which gives any guide as to how it may be determined whether any wheat is equal in value to marquis or not. The act provides further that the grain shall be well matured and well cleaned. It is also true, I think, that grain from one part of the country, although not fully matured, may be a better milling product than grain from another section which is fully matured. Again, it is provided that it shall not be less than sixty pounds to the bushel. This has to some extent a bearing on the yield of flour in the grain. It must also be practically free from damaged kernels; but the act does not say what is meant by "damaged." "Damaged" may mean anything, and there are under the Grain Act grains that are described as damaged but which, so far as their value for milling or for baking purposes is concerned, are not damaged to any degree whatever. On the contrary, indeed, their value is sometimes enhanced by such damage, so called. It must contain, too, 60 per cent of hard, red vitreous kernels. This is another standard that does not give you any real value to go by.

Can we in this country establish a system of grading scientifically based on the real milling and baking value of the grain? There is no doubt that with proper scientific research this can be done, and I believe it will be done some time in the future. We grade oil in this country, and its value is based on its specific gravity and on the amount of gasoline that can be got from that oil. We grade cream in this country, and the value of the cream is based upon the content of butter fat which it yields. We grade our ores from our mines, and the value is based upon the percentage of gold, silver, lead, copper, zinc or other precious metals that may be found to be contained per ton. There is, therefore, no reason in the world why wheat cannot be graded on its yield of flour to the hundred pounds, its protein content, the quality of the protein and the percentage of moisture in the wheat. These all have a direct bearing on the value of the wheat. We have been told by grain men that it cannot be done and is not done, but I maintain that it is being done to-day in all parts of the world by those who purchase our grain. There is not

a large milling concern in the Dominion of Canada which does not chemically test the grain which it buys, to find out whether that grain contains these values of which I speak. We are told by exporters that in Liverpool the price is not fixed upon this basis but upon the Canadian final certificate. I submit that when samples of grain from the first of the crop are sent to Liverpool a chemical analysis is made by the importers there and that the price is set for our wheat upon that analysis; it is fixed upon the chemical analysis of each grade and Canadian grain is bid for on what is disclosed by that test. In other words, we are selling grain from this country on one basis and it is being bought by the millers of the world on another basis. It has been frequently said throughout this country that it would be impractical to make a complete milling and baking test. Two reasons are given for this opinion: first, the cost of making the test, and, secondly, the time consumed in carrying it out. As regards the cost, I am not convinced that it would not be an economical proposition for the grower of grain to have a full milling and baking test taken of his grain. That milling and baking test would consist of these processes: milling, two hours; weighing and mixing ingredients of flour, five minutes; fermenting, two hours; proof, one hour; baking, half an hour; cooling, one hour; scoring and measuring the loaf, five minutes—a total of six hours and forty minutes. At first sight this seems to be a considerable time for making a test of grain, and it would be per sample. But this operation may be carried out under mass production methods, so that it does not mean each sample would have six hours and forty minutes devoted to it. The test can be made in large quantities; the miller can mill more than one sample at a time. Weighing and mixing can be done by machinery; fermenting and proof can be done in large quantities or with a large number of samples by one man; and baking can be done, as it is done commercially, by hundreds of loaves at a time in large ovens; while measuring and scoring is but a small item in the time consumed. This would have no tendency at all to hold up cars on the railways, for this reason, that under the present system of inspection samples are taken from the cars and the cars proceed to their destination. It may take six or seven hours to make the full baking and milling test, but during that time the car is en route to destination and the grade is wired there. So there is no delay to the railway. I am not advocating that this test is necessary, but I do advocate that it should be thoroughly looked into by the proper authorities to see whether or not it would be an economical proposition for our grain growers.

To my notion the only tests that are necessary to establish the milling and baking value of Canadian wheat are the moisture content test—this is being made to-day—the protein test and the viscosity test. The viscosity test gives you the quality of your protein, that is, it tells you what baking strength your flour has. The action of yeast in bread is to extend the loaf by the formation of carbonic acid gas. That extension can be definitely established by the viscosity test. In other words, you find out just how far the loaf will be extended by the action of the yeast, and how long it will hold there, so that you can determine whether it has been properly fermented. Now, this test is being made to-day not only in our laboratory at Winnipeg, but in every laboratory of the mills throughout Canada and the United States and a great many of the mills in Europe. The protein test takes only from forty-five minutes to an hour. The viscosity takes only about five minutes and can be made while the protein test is being conducted. The moisture test takes forty-five minutes, and can also be made at the same time that the protein test is under way with another part of the same grain.

Our Canadian grain is valuable for two reasons; first, for milling by itself into flour, and, secondly, for blending with other wheats throughout the world to bring their baking strength up to the proper standard. Therefore, Mr. Speaker, I submit that our grading system should be based upon the amount and quality of the protein in the grain as the first consideration, and on the amount of moisture as the second consideration. I recollect being questioned by an hon. member last session when there was some discussion as to the amount of moisture which should be allowed in our straight grades of grain. We allow 14.4 per cent moisture. That is, Canadian grain is bought in the markets of the world on that basis, and everybody understands that it is supposed to contain that percentage of moisture. But a great deal of Canadian grain coming from the farmer to the market does not contain 14.4 per cent moisture. If a man has 12 per cent moisture grain, and the market price is $1.50 per bushel, he is losing 2 per cent on his price, which in this case means 3 cents per bushel, because his grade does not come up to the standard percentage of 14.4. Lower moisture content should be set for our grain, and a man should be given credit

for the low content of moisture. And he should not suffer a reduction in price because his wheat contains 14.5 or 17 per cent moisture. Under our present grading system grain containing over 14.4 per cent is called tough, and immediately the grower of that grain is penalized to the extent of 8 or 10 cents a bushel; if it contains 17 per cent moisture he is penalized another 8 or 10 cents, and sometimes more. This should not be. The grower should be penalized only on the actual percentage of moisture in his grain, that is the shrinkage and the actual cost of drying that grain under proper conditions, for when tough or damp grain is so dried the milling value is not affected in any particular. As a matter of fact, a great many experiments have proved that damp or tough grain if dried under proper conditions is a better milling grain than the straight grade.

When the research council is investigating grain grading I think they should go further and inquire into the drying of our grain. I believe that to-day there is no grain dried in this country until the close of navigation. Nevertheless any grain with a moisture content in excess of 14.4 per cent has deducted from its price from 8 to 10 cents a bushel. This is altogether wrong. It is taken advantage of by our grain men who mix grain. For instance, a man has a 12 per cent moisture car coming to market, and he also buys a 16 per cent moisture car; then he mixes the two together and comes out with an average of 14 per cent, which is straight grade.

Mr. GARLAND (Bow River): Will my hon. friend permit a question?

Mr. ROSS (Moose Jaw): Certainly.

Mr. GARLAND (Bow River): I wonder if he can produce any substantiation of the statement that no grain is dried until after the close of navigation, for if so he will be performing a wonderful service to our country.

Mr. ROSS (Moose Jaw): I shall be only too glad to ask the Minister of Trade and Commerce (Mr. Malcolm) to make a return of the number of cars of grain actually dried. I think such a return will clear the matter up, because in talking to the elevator men I have been informed that up to the close of navigation there is no drying of grain, and that in a great many of the private terminal elevators the driers are practically never used, being put there simply as a bluff.

Now, in regard to moisture content in grain, it has been found by experiment that wheat which is slightly bleached is not damaged in any particular for milling into flour. Wheat that is heavily bleached is changed, but it is not damaged to anything like the extent that our grading system penalizes it to-day. For instance, there are times when the crop is of high quality as a whole, but there is some heavily bleached or sprouted wheat. At those times it has been the practice of the millers in this country, and also in the United States, to buy those heavily bleached and sprouted wheats at a premium in order to blend them with a high protein, high viscosity wheat so as to mill out a flour which will make a better baking flour, without using other commercial improvements. These wheats, under our present system, are placed in the No. 4 wheat for grade. That is they are put in with wheat containing a large percentage of green kernel or heavily frosted wheat, and heavily frosted wheat or wheat containing a large number of green kernels is a very poor milling wheat. This sprouted wheat which is a good milling wheat and the heavily bleached wheat should be kept separate altogether from the No. 4 so that it can be used for the purposes that I spoke of.

Let me say a word with regard to the buyers of our wheat in the world market. The miller of grain in Liverpool, or the European miller, is in this position in buying wheat: He has to mill to the same standard at all times, and must keep to that standard constantly, otherwise he will lose his customers. Therefore when the different wheats from different parts of the world start to come to Europe, he analyses those wheats and finds out how much wheat of different kinds he needs in order to mill to the standard he has maintained for years. In one year he will need a Canadian grain of high protein and high viscosity to a much greater extent than in another year. If the wheat of the world is low in protein and low in baking strength, that year he will need Canadian grain to a greater extent than another. He is willing to pay a premium for it, and would be only too willing to have our grain grade based upon the strength and the amount of protein that is in our wheat. The Canadian miller of grain is in a different position. He buys his grain in a country where we have ordinarily a large amount of high protein and high viscosity or high baking-strength wheat. Nevertheless this year the Canadian millers are buying thousands of cars of wheat, on the ordinary grade in the market, and in some cases are turning back into the trade as much as two-thirds of the cars that they have bought after

having tested them in their laboratories. The protein of the Canadian crop this year is a bit lower than usual. In other words the Canadian miller this year is picking from the run of our crop the high protein wheat, and is turning back the lower protein wheats into the export channel. Or to put it another way, the poorer part of the Canadian wheat crop is going to the world's markets to set the price for the whole wheat crop of Canada.

In the United States the miller is in a different position still. In that country the greater part of the crop is of soft wheat, low protein, low baking-strength wheat. He is in a restricted market, and he is much more ready to bid high prices for high protein than anyone else, because he has to get that high protein to blend with his soft wheats in order to bring up the baking strength of his flour. Therefore, the examples that have been given in this house regarding the prices that will be paid for protein in the United States do not hold good as to Canadian grain or grain going to the world's markets, because the demands in the world's markets are not as great as they are in the restricted markets in the United States, or do not exist to such a great extent. In the Canadian market there is a very limited demand for high protein because our average crop is high protein content. In some years there is a demand in Canada for low protein wheat or soft wheat, bleached or sprouted wheat, to blend with the high protein wheat.

Now in regard to mixing. Our present Grain Act allows the buyers of grain in this country to mix grades. If you buy No. 3 northern grain there is a wide spread in that grade. A good No. 3 is just too poor to be a No. 2; a poor No. 3 is just too good to be a No. 4; a good No. 4 wheat is just too poor to be a No. 3; and a poor No. 4 is just too good to be a No. 5. Now the buyer of grain in this country to-day can buy a good car of No. 3 northern and a good car of No. 4 wheat, can mix the two together, and come out under our grade system with two cars of No. 3 northern at an advance this year of 12 to 13 cents per bushel. As a matter of fact there have been cars of grain this year of No. 3 northern straight grade, and the specially good No. 5 wheat could have been mixed and graded to make a straight 3 northern. I do not say that without assurance for this reason: this very crop year I picked from cars that were going through a specially good sample of 5 wheat, and I took an average sample of No. 3 northern, and mixed the two together in the proportion of fifty-fifty. I put the result of that mixing in front of an inspector under the board of grain commissioners, paid by the Dominion government, and it was graded by him as No. 3 northern wheat. However, I was not satisfied with that. I took it to another inspector, and had him grade it, and he got the same result. There was a difference in that case of 26 cents per bushel on the one carload of grain. A grading system that will allow things of this kind most assuredly should be changed. Such a thing as that is entirely wrong, and the people of western Canada who are growing grain to-day are losing millions of dollars as a result of our grading system.

Mr. GARLAND (Bow River): The hon. gentleman is opposed to mixing?

Mr. ROSS (Moose Jaw): Absolutely.

Mr. GARLAND (Bow River): I wonder if the hon. gentleman would tell the house why a resolution with respect to mixing was withdrawn from the order paper by one of his colleagues.

Mr. ROSS (Moose Jaw): I am sure I cannot tell the hon. gentleman; I know nothing about it. I did not even know the resolution was withdrawn.

Now, Mr. Speaker, I would ask that this resolution be sent to the agriculture committee, or to the council on scientific research, to have these matters looked into and see if we cannot get in Canada a grain grading system scientifically based upon the milling and baking values in our grain. I would suggest that when that is done the matter should not be left wholly to university professors in different parts of the country, some of whom I believe are to constitute part of the membership of this board. I think the Department of Trade and Commerce should see that the proper amount of money, under the vote for research, is given to the laboratory at Winnipeg where they have been investigating matters and have advanced quite a distance in this work. I would also suggest to the Minister of Trade and Commerce that he call into conference with him the board of grain commissioners and tell them that we in this house are vitally interested in this being done and that they should facilitate in every way possible the elucidation of these matters. At the present time I do not wish to say much about the board of grain commissioners.

Mr. GARLAND (Bow River): Why not?

Mr. ROSS (Moose Jaw): I may do so at a future time, but I will say this, that I think they could be a little more sympathetic

to the producers of grain in this country than they have been in the past and not quite so sympathetic to the organized grain trade of western Canada. This is one of the most important resolutions before this house this year. If it is carried out, it means millions of dollars a year put back into the pockets of our people to buy Canadian goods, because to-day the producer of grain under the Canadian grading system is not getting a proper return for his grain.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, the hon. member for Qu'Appelle (Mr. Millar), in bringing forward this resolution has done a very good service for the people of Canada. At the present time many people throughout the western part of this country are vitally interested in the grading of wheat. The selling of the wheat crop is often the one great venture of the year for the wheat farmer and during the present year there has been widespread dissatisfaction over the grades which are being given. It seems that the board of standards issues certain instructions each year, but often their instructions do not apply to all parts of the country. Their instructions may deal largely with rust conditions and things of that kind, and in certain parts of Canada the inspectors are given very little guidance and have only their own judgment to rely upon in grading the grain, a matter which is so vital to the producers. The present method, of course, is an arbitrary one, depending upon the individual judgment of the inspector, and many examples could be quoted where one inspector will assign a certain grade to a certain sample while another inspector will give the same sample an entirely different grade. Many things enter into their judgment in these cases, for instance, the colour of the grain, the number of unmatured kernels, the amount of starch in the sample and whether the grain has been slightly frosted or not.

In the wheat-growing provinces there are many varieties of grain. The older varieties are still used and still make up the standards, but many new varieties are being tried out by individual farmers. I realize that the department is doing a good deal to discourage farmers from planting these new varieties until they have been thoroughly tested out in the different experimental farms, but I know much grain does not comply with the older standards because these new varieties are being used. The chief inspector, I believe, says that there are about seventeen hundred different grades of grain at the present time. In a way we in Canada are in an especially good position as regards our grading system. I refer to the markets of Europe. While grain from the chief countries which compete with Canada is liable to be re-graded in Europe, European buyers will accept Canadian grades and this possibly would make it a little difficult to change our system of grading. Such countries as Australia, India and the Argentine are liable to have their grades changed or their grain re-graded in Europe, whereas Canadian grades are accepted.

As I have said, however, widespread dissatisfaction and a great deal of doubt exist in the minds of Canadian farmers as to whether they are really getting all they are entitled to get in selling their grain crop. Whether fairly or unfairly they often assume that they are not getting what is coming to them as producers of grain. For instance, when nearly all the grain of a district grades No. 4, they wonder whether all the flour produced from that grain will be No. 4 or not, and they also wonder if there is any way whereby buyers of grain could have their records checked up in order that it might be seen whether they sell the same quantity of, say grade No. 4, as they buy. If anyone doubts there is much dissatisfaction, he has only to consider what has been said by hon. members who have spoken on this subject, and if he does I am sure he will agree that an investigation is required into the present system of grading with the hope of finding some system that has more scientific accuracy in it.

The official standards for wheat do not at present contain any reference to protein content and they contain no element that constitutes a reliable indication of the protein content. We know that gluten, or the protein content, is the quality required chiefly by the bakers. We know that millers pay and are willing to pay a premium for high protein wheats, and we are not convinced that under present conditions this premium which they are willing to pay is fully reflected back to the wheat growers. This operates to the dissatisfaction of the producers of some of our choicest wheats. I refer to our dry land farmers. They are distant from milling centres and terminal markets and they are largely at the mercy of the people who buy their grain. Surely, if a premium is being paid at all, it should be fully reflected back to the primary producer of the grain who worked so hard to bring his crop to the market.

I wish to read just a short extract from the Wheat Studies of the food research institute of Stamford university. It discusses the various

grades of grain and the methods of judging that grain, and it says:

> Nevertheless, all things considered, the amount of gluten, that is, of protein, seems in the light of the present-day knowledge to be the nearest approach to an ideal index of baking strength available. The baker who depends upon it alone will now and then be deceived. If, however, he knows the variety and place of origin, of the wheat from which the flour is milled, he will less often be misled.

I contend, Mr. Speaker, that this is a subject which requires a good deal of investigation and very careful study. I am most firmly convinced, however, that the farmers of Canada are not satisfied with the present method of grading, and they hope that some better method may be worked out. The people in the United States are also alive to this condition, and the chairman of the United States board of review stated in conversation that:

> If Canada should establish protein as a grading factor, the United States would be forced to do the same. Pressure was being brought to bear all the time. The United States laboratories at Washington were working hard on this question at the present time. He believed the bakers were driving the mills to furnish high protein flour, and competition between the mills forced them to comply.

I believe that the wheat of Canada might have a better place on the markets of the world owing to its high protein content, and I think the farmers of Canada would be much happier if they did not have the impression that the present system was working unfairly to them.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I think the hon. member for Qu'Appelle (Mr. Millar) is to be congratulated upon his persistence in keeping this subject before the House of Commons. It is a subject of great importance to the farmers of western Canada, and therefore of great importance to the country as a whole.

It is almost a waste of words to say that there is great dissatisfaction existing among the producers of grain in western Canada over our present grading system. Very much has been said in praise of our grading system, and possibly a good deal of it deservedly said. I think that a great deal of the dissatisfaction which undoubtedly exists has been caused by the lack of uniformity in our grading. It is very difficult under the present grading system as outlined in the Canada Grain Act to secure the uniformity which we ought to have. The chief inspector is reported to have made the statement when he was before a farmers' convention recently that grading was after all a matter of opinion. To producers the grading of their wheat is too important a matter to be done simply upon the opinion of the inspector.

I do not know enough about the subject to say whether we would improve conditions by basing our grading system on the protein content of the wheat. Two years ago I visited the Minneapolis sample market while on my way to Ottawa and spent two days there, and while I was on the trading floor of their sample market I saw a buyer for one of the mills offer a premium of twenty-eight cents a bushel for one car of wheat over what he would offer for another car, although both were graded the same, No. 1 dark northern spring. The broker who was selling these two cars of wheat had secured a protein test of each car. One car tested something over fifteen per cent protein, and the other about ten and one-half per cent protein, and the difference in the protein content of those two cars of wheat made a difference in value, in the judgment of this buyer, of twenty-eight cents a bushel. There was also one instance in that season where a premium of fifty-two cents was said to have been paid on the Minneapolis market for high protein wheat.

As the hon. member for Moose Jaw (Mr. Ross) said, it is generally believed that Canadian wheat is almost uniformly high in protein content, but we are probably assuming too much, with our present knowledge, if we assume that to be a fact. I personally would like to see this subject very carefully investigated. What I saw in Minneapolis convinced me that we should at least make a thorough study of this subject, and I would suggest that this resolution be sent to the agriculture committee for consideration. I know that there will be much opposition raised to the suggestion that we should change our present system and base the grading of wheat upon its protein content, but I would point out that the sections of the present Grain Act covering the grading definitions take into consideration the milling value of wheat, and the milling value is, I think, largely determined, especially in the case of our higher grades, by the protein content. I do not know whether it is a fact that the protein content is the determining factor only in our higher grades of wheat. I think that sometimes our low grade wheat although it might show a high protein content, is not of very high milling value because the quality of the protein has been injured by weather conditions, by frost, possibly, or some other condition.

I do not think I should discuss our present grading system at very great length upon this resolution. I think it is sufficient to say

that at least fifty per cent and possibly more, of our grain producers think that the system could be improved upon, and if that is a fact we do not need to discuss the present system at any length at this time. I think we have sufficient justification for asking that this resolution be sent to the agricultural committee for consideration, and possibly we may get a recommendation from that committee as to any change they deem desirable in the act, or whether they think the subject should be further considered by our research department.

Mr. CAYLEY: Is the protein test made use of anywhere in the world, and what is considered a high protein content?

Mr. COOTE: I do not know that protein is used as a basis for grading in any country in the world, but I think it is used as a basis for selling the great bulk of the wheat which is sold on the Minneapolis market, which is the biggest hard spring wheat market in the United States.

Mr. CAYLEY: Is the protein test made use of in buying?

Mr. COOTE: Yes, by the buyers. As the wheat arrives at Minneapolis, principally from Montana and North Dakota, it is graded in practically the same way as our own Canadian wheat, although we would consider their grades easier than ours. But after this wheat is graded it is nearly all sold on sample; at least, it is all offered for sale by brokers on the Minneapolis sample market. There is a large milling industry established in Minneapolis and a great deal of this wheat does not go any farther than that city, but is ground there. The buyers for the mills in Minneapolis do not buy much wheat without first securing a protein test. I think every mill there has its own laboratory in which it can make its own tests. In addition a commercial laboratory is located on the ground floor of the chamber of commerce, where the market is held. In this laboratory a sample of wheat may be tested in a very short time for a charge of, I think, fifty cents. I visited the laboratory and the proprietor told me they had tested that morning over 500 samples of wheat. The test is made in a very short time.

An hon. MEMBER: What is considered the average per cent of protein?

Mr. COOTE: I do not claim to have enough knowledge of the subject to answer that question positively, but we have in Canada a great deal of wheat which I think would test at least 15 per cent protein. I think the records show that in some of the laboratories many samples tested between 16 and 17 per cent, and maybe an odd one over that; but in my opinion, which I have arrived at as a result of conversation with grain men and millers, I believe anything in the neighbourhood of 13 or 14 per cent may be considered a high protein, and there is a great deal of wheat in the United States, and possibly some in western Canada, that will test less than 10 per cent. I believe the millers want a wheat for milling that will give a uniform baking value. To secure that they want a uniform protein content. I do not know exactly what that protein content has to be, but I know that if they buy a quantity of wheat with too low a protein content, they will offer a premium for a car with an exceptionally high protein test, to mix with it and that is what has caused a high premium to be paid on the market at Minneapolis for wheat with a high protein content. Whether that condition would obtain in Canada is hard to say, because many people here contend that so much of our wheat is of high protein content that there would not be sufficient demand to ensure the payment of very much premium for high protein wheat. However, I think we have evidence enough before us to warrant us in asking that this matter be referred for consideration to the committee on agriculture. They can, if they think necessary or advisable, call in the services of our chief chemist at Winnipeg, or the chemists who are making the experiments for the mills in Canada. I would suggest to the Minister of Trade and Commerce (Mr. Malcolm) that he would be very well advised to allow the resolution to be referred to the committee on agriculture.

Mr. THOMAS DONNELLY (Willow Bunch): Mr. Speaker, with the others who have spoken I wish to congratulate the hon. member for Qu'Appelle (Mr. Millar) on having brought this resolution to the attention of the house. I consider this an important resolution to any farmer in western Canada or to any man interested in farming, as it has to do with an honest endeavour on the part of the mover to secure for the farmer the right to demand and obtain the true value of his wheat. Now, we all concede that Canada is and will be for some time to come a distinctly agricultural country. The prosperity of the country depends upon agriculture. If the farmer is prosperous the whole country is prosperous and if western Canada has a good crop it stimulates trade throughout the whole Dominion, and that means a period of prosperity. Agriculture is and will be for many years the

basic industry of Canada. Any legislation therefore which enables the farmer to receive the true value of his product is good legislation and merits the support of the members of the house.

There are only two ways in which we can improve the conditions of the farmer and give him a greater net return for his product. One is by decreasing the cost of his production and the other is by increasing the price of wheat to the wheat grower. To increase the price to the wheat grower only two ways are open. One is to decrease the cost of the distribution of wheat. This problem has, to a great extent, been solved by the wheat pools in western Canada. It has been calculated that the wheat pools, by their work of distribution, have increased the price of wheat to the wheat grower by at least 25 cents a bushel, without in any way increasing the price of bread to the consumer. This has been brought about through the more efficient method of distribution, and we hope to see the wheat pools become still more efficient in the years to come. We can also increase the price to the wheat grower by inducing him to produce a better and higher grade of wheat. The wheat in western Canada is valued in the world's market chiefly on account of its hardness or the amount of protein which it contains.

Much work has been done in past years, and we hope to see much improvement in the years to come. This resolution asks that in fixing and applying standards of value account be taken of the basic property of wheat. That is the protein. Protein is that property of wheat which supplies viscosity to the dough: in other words, it is that property in the flour which, when made into dough and fermentation begins to take place, keeps and maintains each air particle separate and distinct from the other, as the dough will stretch and will not allow the air spaces to break into the other and so cause the dough to fall. Our system of grading has been in force for some years and is probably the best system in the world from a commercial standpoint. The system is convenient for commercial purposes and enables the wheat to be handled easily. It does not take into account the amount of protein contained in the wheat. In our grading system we only take into account the amount of moisture, the weight, the colour of the wheat, as well as the frost and so on, but we do not take into account the amount of protein. No account is taken whatever of the chief element for which the wheat is valued, and that is its protein. Our spring wheat grown in Canada is valued to-day throughout the world for its protein content, and yet in our grading system no account whatever is taken of this, and though our system of inspection of wheat is old and has not been changed for years, and though we have had a commission for many years past looking into the grading of wheat, we have had no report whatever on inspection or grading of wheat, and I may say to-day that this year, above all years, there has been more complaint concerning the grading of our wheat than ever before. I believe the time has come when this government should look into the whole system of the grading and inspection of wheat.

If there is one fault I have to find with the resolution, it is that it does not go far enough. We should ask for a complete investigation into the whole system of grading and inspection of our wheat as it exists to-day. At the present time we have wheat grown in some parts of western Canada containing as low as seven or eight per cent of protein. It may have a bright, large and starchy kernel, but is low in protein, and on the other hand we may have wheat containing as high as 16 or 17 per cent protein, clear in colour, but small kernels, and yet these two grades of wheat, one containing 8 per cent and the other 17 per cent, receive exactly the same price on the world's market. This probably affects my constituency more than any other part of western Canada. I have the honour to represent a constituency in which there is a new soil, practically all virgin, lying in an area that does not receive too much moisture but just sufficient to raise a good, hard, red spring wheat. Yet, although we grow a wheat with a high protein content, we receive no more for it than do those who grow a product of lesser protein content, probably only seven or eight per cent. We are glad to note that during the past year the Saskatchewan Co-operative Wheat Producers Limited have been investigating the whole matter of the grading and inspection of grain as it exists in Canada to-day, with a view to securing such information as will enable them to recommend a more equitable application of the grading system to the individual farmer. It is also gratifying to know that the Dominion government, through the board of grain commissioners, have had scientists at work in this connection for some time, and we trust that the result of their efforts will be the acquisition of information of a practical nature. We are convinced that better results would be achieved if the services of more scientists could be secured in this field.

I wish particularly to call the attention of the government to a portion of the report of the committee which was appointed by Saskatchewan Wheat Producers Limited, in which special reference is made to some of the faults which they discovered in the grading system. Let me quote one of their recommendations:

We next looked into the practice of grading as it is carried on at Winnipeg, checking the work of the samplers, deputy inspectors and chief inspector, and received much valuable information which has been submitted to you in detail. From Winnipeg we went to the head of the lakes and while there formed an opinion, which we still hold, that there is a difference between the standard grade at Winnipeg and at the lake head. There has been some fairly severe criticism with regard to this opinion being expressed by members of the board, but notwithstanding anything that has been said, we are still of this opinion and would recommend that the resolution which was unanimously agreed upon by the inter-provincial meeting held in Calgary in March last be again taken up with the dominion government at the next session of parliament, the resolution being as follows:

"That steps be taken to provide that, in accordance with the Canada Grain Act, terminal elevators, both public and private, shall be compelled to maintain outturn grades of the same standard as that in use at primary inspection points; and further, that if the Canada Grain Act as at present constituted does not provide for this, steps be taken to obtain an amendment thereto to bring it into effect."

In this the claim is made that we have two standards of grain, one for inspection at Winnipeg and the other for inspection at Fort William. The grain commissioners also, at the same time, fix a standard whereby grain is sold at Fort William or at the head of the lakes, and as you will see from this recommendation it is felt that the standard applicable to wheat as sold at Fort William is not as high as the standard by which the wheat is bought at Winnipeg. This militates against the farmer, to the benefit of the distributor or the grain dealer. They claim that there is one standard by which they buy and an inferior or lower standard by which they sell. To substantiate this argument or to prove that the wheat, when it is being sold or is leaving the country, is not of as high a grade as when it is bought, let me refer the house to some of the work that has been done along this line. Forty-seven samples of wheat of contract grades were taken from Buffalo. These were inspected by both the government inspector at Winnipeg and the inspector attached to the Saskatchewan Wheat Producers Limited. From four to six samples were sent at a time from Regina to the inspector at Winnipeg out of these forty-seven samples. Sixteen samples maintained their grade, and it was agreed by the inspector of the wheat producers as well as by the inspectors at Winnipeg that these were correct. Thirty-one were lowered by the government inspector, while twenty-one were lowered by the superintendent of the wheat producers. Every one of these samples had a small percentage of foreign grains such as barley, rye and so forth. Samples were also obtained from points on the Atlantic seaboard. From the public elevators at Baltimore, Philadelphia, Portland, Maine, New York and Montreal, samples of contract grades were taken and only one of these samples held the grade. That was sample No. 4 taken from the public elevator at Montreal. These samples were graded by Mr. Steele, of the Wheat Producers Limited, who was fully qualified to judge of the proper grade of wheat. Not satisfied with this, the Wheat Producers Limited had a number of samples, originally shipped across the Atlantic, brought back from England, and many of them I saw. There were from fifty to sixty of these samples. Invariably they were one grade lower, at least, than the contract grades at Winnipeg. The Wheat Producers Limited of Saskatchewan have had at least from forty to fifty samples of their shipments brought back from the old country. The general opinion seemed to be that our grades were more uniform, and if anything a little better than they were last year. Last year the old country millers complained bitterly about our No. 3 grade on account of its having dried wheat in it. This was almost a universal complaint, for it came not only from millers overseas but even from eastern Canadian millers. Nos. 1 and 2 grades were fairly uniform but they were just line grades; in other words, they were on the line between 1 and 2 or between 2 and 3, and invariably they were graded into the higher grade. This is some of the work that has been done and it shows that the grades that are shipped out of the country are lower than the grades received by the farmers at Winnipeg. This condition of affairs necessarily enables the private terminal elevators at the head of the lakes to indulge in the habit of mixing grain for export from Fort William and therefore lowering the standard of our wheat on the world's market.

Let me quote an example of mixing. I could cite many examples, but I will content myself with giving one to show the extent to which wheat is mixed at the head of the lakes, thereby reducing the standard. A fair example of the way wheat is mixed at Fort

William is given by the following shipment made on the steamship Royalton in November, 1926:

125,000 of Nos. 3.
65,963 of Nos. 3.
20,000 of Rejected 3.
1,200 of Tough 4.
6,720 of No. 5.
5,280 of Nos. 1 & 2 Kota.
8,580 of Moisture 3 & 4.
4,730 of Tough 3 Kota.
4,730 of Tough 3 Red Durham.
1,300 of Durham & Spring.
6,500 of Dried No. 1.

This mixture was shipped out and sold on the markets of the world as No. 3 wheat. This is one of the worst examples of mixing that we have had and a great profit is made by this process at Fort William; and while our pool elevators are returning to the farmer in a great measure much of the profits of mixing, by indulging in the mixing process themselves, it is felt that it is an evil practice and it would be far better if it could be done away with entirely.

For the past ten years our standards of wheat have been depreciating in the markets of the world through this process of mixing, and though we are endeavouring by every means to increase the standards of all other farm products, it is regrettable that our major farm product should be allowed to suffer in this way. We try to raise the standard of our butter, our cheese, our bacon, our fruit, in fact the standard of every farm product but our major farm product—wheat, which to-day is being depreciated in the markets of the world. In this connection I find in the Regina Leader of January 17, 1928, the following article:

Canada is losing her world markets through failure to maintain her products at high quality, Mrs. H. M. Aitkens of the institute branch, Ontario Department of Agriculture, declared to-day in addressing the Ottawa branch of the National Council of Women.

Discussing her impressions of Canada standing in the various countries of Europe which she recently visited, and in substantiation of her statement that Canadian produce was losing its former high ranking, Mrs. Aitkens said, "Canadian wheat is deteriorating; last year alone growers of the Dominion having lost $9,000,000."

This is a quotation from the report of the committee appointed by the board of directors of the Saskatchewan Co-operative Wheat Producers Limited.

In connection with this work we had found out from our general sales manager, Mr. D. L. Smith, and from the perusal of correspondence and cables received from the United Kingdom and continental Europe, that there was some dissatisfaction in connection with the standard of Canadian grain which was reaching those countries, a complaint being particularly strong in connection with our No. 3 Northern wheat. We also found a fairly general opinion expressed by terminal operators of long standing and by grain men generally that our grain standards were being gradually reduced, due partly to the many varieties of wheat that are being grown in the three provinces at this time, and due to the fact that most of the terminal elevators at the head of the lakes were being operated as private terminal elevators or mixing houses, and that very few of the terminal elevators were operating under a public terminal license, in fact only six of all the elevators in Fort William and Port Arthur at this time are operating as public terminal elevators.

The Department of Trade and Commerce should look carefully into this whole matter and endeavour by every means in its power to keep the standard of our wheat at the highest possible point in the markets of the world. It is felt that there is no necessity for two standards, one at Fort William, the other at Winnipeg. We believe that we should have only one inspection point for wheat, and that it should be at Winnipeg. I am speaking, of course, entirely of wheat shipped out through Winnipeg and Fort William. I submit that there should be no inspection point at all at Fort William, and that the wheat which the farmer has to sell should be inspected at Winnipeg, and that the wheat which is sold for export from all private elevators should also be inspected at Winnipeg, even if the mixing system is allowed to continue. A sample of the wheat that is being prepared for export should be taken out of the private elevators and sent back to Winnipeg, to be there inspected by the same inspectors that inspected the farmer's wheat. We do not believe that the graders at Fort William are crooked, we do not believe that they are not doing their work efficiently, yet there exists in the public mind a feeling that these men are not doing their work as it should be done, that there is too much room for graft. When we take into account the spread in wheat to-day between 2 and 3 northern has been on an average throughout the whole season at least 15 cents, and that boatloads are being shipped of two, three and four hundred thousand bushels, we find that a difference in those grades involves a loss running from $30,000 to $60,000. Now when it is borne in mind that the men who are doing this grading are only getting $2,500 to $3,000 a year—well, we cannot help but think the same sometimes as the man in the country, "human nature is human nature." In short, the chance for graft is too great. This chance should not be present. We think in fairness to the men themselves they should be relieved of all suspicion and the government should take every precaution to

this end. In order to relieve the men of all suspicion of questionable methods, either in grading or taking samples, I believe it would be wise if the samples were not only taken at Fort William when the boat is being loaded, but again at Buffalo or at any other point where the boat is unloaded, these samples to be sent back to Winnipeg to confirm the former grades.

Let me say in conclusion, Mr. Speaker, that I heartily support this resolution, but I think it should be enlarged so as to take in the whole question of grading and inspection of wheat, and that it should be referred to the agriculture committee, to thoroughly investigate and report thereon.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker, I have listened to the discussion of this resolution with a great deal of interest. Every member from the prairie provinces must realize that the grading of wheat is a most important part of the great industry that is carried on in the west. Every year we hear complaints about the grading of wheat, and this past year has been no exception, in fact last fall I think there have been more complaints of wheat grading than ever before.

I am doubtful, though, if we are yet at the stage where we can accept this resolution. It reads:

> That in the opinion of this house the statutory definitions applying to all contract grades of wheat in the western inspection division should be amended in such a manner as to provide for including protein as a factor.

I take it this means that if the house passes the resolution, immediately the duties imposed upon the Board of Grain Commissioners, through instructions from the Department of Trade and Commerce, to prepare an amendment to the Grain Act, but from what I have heard in this debate I am very doubtful whether we are yet ready to accept such an amendment. Yesterday in introducing the resolution the hon. member for Qu'Appelle (Mr. Millar), at page 497 of Hansard, quoted the following paragraph from the proceedings of the Research Council of Canada:

> All endeavour so far has failed to disclose any method by which strength may be measured other than the baking test but this method is unsatisfactory for many reasons. It is inexact, depends chiefly on the skill of the operator, is time-robbing, and when completed it is impossible to express the results numerically or in a way that would be universally understood. Also reliance can scarcely be placed on a single test, and often as many as three bakings must be made to make certain of the results.

If that is a true statement of fact so far as the research council is concerned, surely we are not yet ready to amend the act and make provision for taking the protein content as a factor in the grading of wheat, with all that that implies. I do not know just what effect it might have on the wheat industry in western Canada. And I should like to know what effect it might have on the mills at or near the points of inspection. These mills often purchase the wheat immediately it comes into Winnipeg, and we do not know just how long that grain is going to be held up in order to have these tests made. We do not know further what effect it may have upon the railway traffic in connection with moving the tremendous crop of wheat that we have in the west each year.

For these reasons, and also the fact that apparently the investigators are not yet able to give a definite report as to how protein content can be accurately obtained, also that they are not yet able definitely to fix what percentage or quality of protein should be taken to determine the value of wheat—as shown by a clipping from the Southwestern Miller, which I should like to read—I do not think we are yet ready for the change suggested in this resolution. The article to which I refer is dated at Kansas City, July 21, and reads as follows:

> "The percentage and quality of protein is having more and more effect on the market price of wheat," says H. M. Bainer, director of the Southwestern Wheat Improvement Association. Continuing he says, "Millers and grain dealers are paying a good liberal premium for high protein wheat, especially when they know that the protein is of good quality. The wide margin in price often paid at the same market on the same day for different lots of wheat of the same grade is almost always due to the difference in protein.
>
> The country grain buyer cannot determine the protein content in wheat; the work is too intricate and special chemical equipment is necessary. The only way the wheat grower or grain buyer can determine the percentage of protein is by sending a small composite sample to the state grain laboratory or to a cereal chemist for analysis. Protein may run as low as 8 per cent and as high as 18 per cent, but 12 per cent is a good, high average."

I think it was the hon. member for South Oxford (Mr. Cayley) who inquired as to the protein content of our Canadian wheat. Taking the report of the Regina Leader last year as to the six more commonly tested wheats from the western station in the prairie provinces the results are as follows:

	Per cent
Reward	17.52
Kota	17.29
Ruby	16.99
Marquis	16.20
Garnet	15.89
Kitchener	14.54

Now, Mr. Speaker, having regard to the facts I have stated, that we are not yet able to put into operation any definite system of grading wheat according to protein content, but that protein content, as shown by these quotations, is a most important factor in the grading of wheat, I beg to move, seconded by Mr. Vallance, the following amendment to the resolution as it now stands:

That all the words after the word "that" in the resolution be struck out and the following words substituted:

Whereas the protein content is an important factor in the value of wheat,

Therefore be it resolved that in the opinion of this house the national council of industrial and scientific research, in conjunction with the board of grain commissioners, be asked to investigate and report on the feasibility of utilizing the protein content of wheat as a basic factor in the grading of that product.

And further be it resolved that this resolution be referred to the committee on agriculture and colonization for consideration and for such suggestions in connection with the grading and inspection of wheat as it deems advisable to pass on to the said national council and board of grain commissioners.

I move that for the reason that our own research council, as shown by a report made on January 11 of this year is not yet ready to make any definite recommendation. I quote in support of the amendment as I have worded it the following from the report of F. J. Birchard, chemist in charge:

Among the other problems now under investigation, or which it is proposed to study very shortly, the following might be mentioned.

The relation between the variety, weight per bushel, size of kernels and various other factors on the oil content of flax.

The effect of various percentages of different forms of damaged wheat on the milling and baking value of the flour produced therefrom.

The development, if possible, of a practical method for determining the quality of the gluten in wheat.

A study of the chemical composition, milling and baking characteristics of the different grades of wheat originating in different parts of western Canada.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I desire to make just a few observations before the amendment is put. I feel that the thanks of the house are due to the hon. member for Qu'Appelle (Mr. Millar), and those associated with him, for the persistency with which they have kept this important question before the house and the country generally. For the last forty years, at least every time there has been an off-year in the matter of grades, there has been an agitation and a natural and proper demand for some betterment in the matter of our wheat grading system. The fact that not much improvement has been made is not an argument in favour of giving up the fight, but rather an argument in favour of pressing onward until that betterment has been obtained in every possible respect. The house will recall, at least those members who have had the opportunity of reading Dean Rutherford's account of his visit to the old country will do so, that when the dean visited the old land he could find no miller or importer who would venture the opinion that wheat could be successfully graded on a protein basis for export, because of the great difficulty of retaining the identity of the various wheats on that basis. I will not enter into a discussion of the matter, except to point out that we have a tremendous multiplicity of grades now, and anything that will tend to increase the present number, without bringing about a commensurate advantage, should be avoided. Take for instance No. 1 northern. It may be tough or damp; it may be rejected for smut, and I do not know what else. If we had to grade it on the basis of the protein content—whether it were 16 per cent, or 15 per cent, or 14 per cent, or some other percentage—that would multiply the number of grades very considerably. While that is the case, something I think can be done and the hon. member for Macleod (Mr. Coote) indicated it. The prices are governed, at least for the home market and in the United States, very substantially on the basis of protein. Where the millers are right on the ground and can see the sample they are buying on the sample market, and there is very little damage, if any at all, from frost, they can reasonably well buy on that basis. But on the other hand, where this low grade wheat is due to either frost or rust, grading on a basis of protein content might be quite misleading and might, as a matter of fact, have the very opposite effect to that which is contemplated. As I have already pointed out, the very lowest grade wheat, namely, No. 6, might run just as high in protein content as the highest grade, namely, No. 1. The protein content in the case of wheat will mean nothing unless the quality goes with it, and everybody knows the quality cannot go with a No. 6 northern wheat which has been put into that grade as a result of damage by frost; neither can it go with wheat affected by rust, because the yield will be so adversely affected. The whole question, therefore, is properly a matter for the committee on agriculture to consider, and it should also be the subject of research.

I hope the house will not draw any wrong inferences from the suggestion of the hon. member for Macleod (Mr. Coote) that there is a possible difference of twenty-eight cents

a bushel with regard to two samples of wheat because of the difference in the protein content. If the quality of the wheat were adversely affected in any of the ways in which Canadian wheat may suffer damage, a greater quantity of protein in content would have no appreciable effect in counteracting that damage; as a matter of fact the effect might be the opposite to what is contemplated. If we refer this matter to the committee on agriculture we shall have the decided advantage of being able to call in our experts, for instance, Doctor Shutt, Dominion chemist, who has done a great deal of experimenting in this respect, and Mr. Newman, Dominion cerealist. We could also call in Mr. Harcourt, of Guelph, who is in charge of one of the best milling and baking laboratories in Canada, if not in America, and we could find out from them first-hand just to what extent the protein content can be made use of without our being misled in the direction indicated by various speakers.

I should like to make a few observations with respect to the remarks made by the hon. member for Willow Bunch (Mr. Donnelly) on another matter which is correlated to this one, and that is with respect to the standards of our outgoing grain from the head of the lakes. The evidence he produces goes to show that a large number of samples of outgoing grain differed very materially from the samples where the standards were set at the time of purchase, namely, in Winnipeg. Without doubt that is a very important point, and I wish to draw the attention of the house to the fact that provision was made in the Turgeon report for correcting just that sort of thing, but at that time the committee on agriculture and the house were not prepared to move in the direction of the Turgeon report. I have no doubt whatever if the request were made by the growers through their pools that grain which is mixed at the public terminals at Fort William should be graded on the same basis as the grain at Winnipeg, there would be a disposition on the part of the agriculture committee of the day and this house to accept such a suggestion coming from such a source.

Some hon. members from the west who can recall the late eighties of last century know that mixing grew to such enormous proportions during the latter part of that decade that the grain trade itself came to parliament and asked to be saved from its own conduct. In the year 1900 the new Grain Act was introduced as a result of the agitation of that time and mixing was prohibited. About 1912 —and I need not go back to the reasons for this—mixing was resorted to again, and it has been going on and on, and being more generally practised, until we now have the complaints referred to by the hon. member for Willow Bunch. In my estimation we shall have history repeating itself. This evil will cure itself because those who are practising it and the farmers themselves will, in due course come to parliament and ask that this condition be remedied. I am very much in favour of the amendment and all the facilities of my department will be made use of for the purpose of having the parties to whom I have referred brought before the committee to give evidence.

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, I am rising to second this amendment because I believe the proper place to discuss this resolution and to do it justice is in the committee on agriculture. As has been pointed out by the Minister of Agriculture (Mr. Motherwell), there we can have the millers, growers and others who are interested come before that committee to give their views on this matter. Perhaps this resolution and the amendment are somewhat premature, because I think the whole proposition would benefit if discussion of the matter were deferred until the report of the research council is available. We would then be in a better position to discuss the matter intelligently.

It is quite apparent in this debate that every member from the western provinces has attempted in some way to expose the evils of the present grading system, but I do not think all the evils have been pointed out. The hon. member for Moose Jaw (Mr. Ross) pointed out one particular instance, namely, the moisture content of wheat. In a year such as the crop year 1927, where we had a large quantity of tough wheat, this was a very pressing question with the farmers of western Canada, and I had pointed out to me on more than one occasion that too much latitude seemed to be given within the grade, for instance, that wheat shall contain 14.4 per cent of moisture in order to get into dry wheat. It is common knowledge, at least to us western farmers, that the greater bulk of the wheat grown on the open prairies of Saskatchewan and Alberta contains as low as 11 per cent of moisture, and the farmer who is growing wheat with 11 per cent of moisture content feels that he is being somewhat penalized because he has to accept it as containing 14.4 per cent of moisture. Therefore, we are selling on the world market wheat of a grade that may contain 14.4 per cent of moisture although on many occasions we are growing wheat with a great deal less moisture content. As long as there is a latitude within

the grade, as is the case under the present grading system, we shall have to submit to two standards of grade. I believe, from my experience after growing wheat for twenty-two years on the western plains, that we, the farmers, sell our wheat at the maximum moisture content and that when it goes on to the world market it is sold at the maximum, thus giving the grain trade a great deal of latitude in the mixing. At the present time, particularly in Saskatchewan where the Co-operative Wheat Producers, Limited, control eighty per cent of the wheat, this mixing is not as great an evil to the farmer as it was prior to the establishment of the wheat pool, because we enjoy the same mixing privileges as do the other grain interests. If this whole question is referred to the agriculture committee, we shall be able to bring the very best brains before the committee and be able to deal with the question intelligently. Therefore it affords me very great pleasure to second the amendment.

Mr. E. J. YOUNG (Weyburn): I wish to rise in support of the amendment. I am of opinion that the proper thing to do in this regard is first to get the opinion of the national research institute, when that organization is set going, so that we can arrive at as definite a scientific opinion as is possible.

As I understand it, the aim of the resolution was to make the protein content if not the determining factor at least a greater factor than it is at present in determining the grade of wheat. I was much impressed by the remarks of the hon. member for Moose Jaw (Mr. Ross) when he pointed out that although protein is an important factor it is not always the only factor which the millers require in buying wheat. In the United States protein is very largely the determining factor for this reason: Minneapolis is a very large milling centre. It draws its wheat from a large area where the wheat is of low protein content. It is only on the northern borders of Montana and Dakota that wheat of high protein content is produced. Consequently the millers of Minneapolis, wishing to make a flour up to their standard grade, are looking for wheat of a high protein content to tone up the wheat which they get from other parts of the country that is of a lower protein content. Protein is therefore always at premium in the Minneapolis market. They have their grades over there just as we have here. You will find on the Montana side of the line that wheat of a certain grade, selling say for one dollar a bushel, will, if it contains a large percentage of protein, bring a premium of sometimes as high as twenty-eight cents a bushel. But that would not apply universally; it would not apply in this country. Our wheat is very largely of high protein content. Protein, then, not being so scarce in Canada as it is in the United States, would not necessarily command the same premium.

What is the practice at the present time in grading wheat in this country? We grade largely by the eye and by the scale. If the wheat weighs sixty pounds to the bushel and contains a certain percentage of hard, bright red, vitreous kernels, these can be inspected and judged by the eye, and that wheat is put into No. 1 grade. Much has been said of the dissatisfaction over the grading that has existed in the west during the past year. I have never seen so much dissatisfaction over our present grading system as I have this year, but is that dissatisfaction due to the presence or absence of protein? I do not think so. I think the trouble is this: The farmer looks at his sample and he sees that the great bulk of it is composed of hard, bright red, vitreous kernels, and he thinks that that surely will grade No. 1. He ships his car, and a sample is taken at Winnipeg. The inspector looking at that wheat is not looking for hard, bright red, vitreous kernels; he is looking for defective kernels, and if he finds a certain number of green, frozen or damaged kernels, he puts that wheat down a grade.

It seems to me that possibly the Grain Act might be improved in this way, without waiting for such a reference as this: The inspection department will not separate wheat from wheat. If you ship a carload of wheat which contains a certain percentage of wild oats, it might go through as No. 1, but if you ship another car of identically the same wheat, but containing, instead of wild oats, a certain percentage of small, green, shrunken kernels, that wheat will be degraded because they will not separate wheat from wheat. Now these damaged kernels could be taken out just as easily as the wild oats.

Mr. DUNNING: More easily.

Mr. YOUNG (Weyburn): Yes. It seems to me there is room for improvement there without having regard to protein content. I think that could be done quite easily. I believe that is the principal cause of the greater part of the dissatisfaction which exists in the country at the present time with regard to our grading system.

Mr. MILLAR: Reverting to what the hon. member said a moment ago, that the premium commanded in the United States could not be expected in Canada, would not the adoption of this system of grading wheat where protein is a factor broaden the field of com-

petition so as to include the American buyer, who is now importing a lot of our wheat for grinding with his own soft wheat both for export and for domestic purposes? Would it not also include the British buyer? Would it not broaden the field to include Canada, the United States and Great Britain, whereas now the field is confined to the Canadian miller?

Mr. YOUNG (Weyburn): No, I do not think so. I think that the American buyers coming over here looking for a particular quality of wheat would proceed in this way: They send their experts all over the country while the wheat is growing; they know before the harvest just where the kind of wheat they want can be got, and they instruct their buyers to get wheat from that particular district.

Mr. MILLAR: This would deprive them of that privilege. They would have to pay for it.

Mr. YOUNG (Weyburn): Perhaps so, but there is another way of getting around that difficulty. It seems to me that in determining our wheat grades the first man we should consult is the old country miller. He knows what he wants; he will be prepared to tell us exactly what he wants, and what he would be willing to pay for it. The producer of any other article, clothing, for instance, or anything else, first consults the market to ascertain its needs, and then he tries to produce the kind of article the market wants. Our principal market is in Great Britain, and having determined our grades in accordance with what they want, we should then see to it that they always get the minimum grade. Never give them any better than they pay for, nothing more than the law requires. They do not expect anything better.

Mr. MILLAR: Has not the British miller by his practice in selecting high protein wheat already let us know exactly the kind of wheat he wants? He wants it of high protein content.

Mr. YOUNG (Weyburn): No. I shall have to revert back to the remarks of the hon. member for Moose Jaw, who pointed out that generally speaking that is so, but at such times as the world's wheat crop is coming from several different countries and contains all qualities of wheat, the English miller requires less protein content than he does at other times; then it is not protein content that he is looking for. Let us arrange the grades to suit the English miller, and then let us see to it that he never gets anything better than he pays for. Let us see to it that the wheat going over to the old country is always at the bottom of the grade.

There is another question, and that is how to get for the farmer the true value of his wheat. To-day the farmers with No. 1 wheat, whether it be good No. 1 or a poor No. 1, get the same price, but there might be a difference of from five to ten cents in the milling value as between two cars of No. 1 wheat; and the same would apply to the other grades. The question is how to get to each individual farmer the true value of his carload. The remedy for that situation would be a sample market, with samples within the grade, if you will, where professional buyers representing the terminals in which this wheat would be mixed could attend, and where every carload would be tested. Let them give a bid on every car and say exactly what that car is worth in the light of what the market is demanding at the moment; then ship that wheat to the terminals and allow it to be mixed right down to the bottom of the grades. It seems to me that that is a solution of the problem that is about as rational as anything I know of. I heartily support the amendment.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, my contribution to this debate will not detain the house very long. I rise as a Manitoba member to associate myself with hon. members from the other provinces who have emphasized the importance of the subject under discussion. I was not in entire accord with the resolution presented by the hon. member for Qu'Appelle (Mr. Millar), not because I had underestimated the importance of the question, but because I felt that at the present time our knowledge of the subject is not sufficient to warrant our taking immediate steps to apply the principle which the hon. member for Qu'Appelle emphasized. I discussed the question many times with my hon. friend and he knows my views in the matter. While the question is one of supreme importance, I have had very grave doubts in my mind as to whether it would be possible, under the conditions which prevail in our grain market—especially when we remember that the greater part of our wheat is for export—to apply those principles which are so successfully applied in the Minneapolis market.

It has been suggested that in this matter that we may have or will get help from expert chemists. I am not sure whether we need very much more from expert chemists than we have at the present time. Some of

us visited the central experimental farm two years ago and spent a very interesting time with Dr. Shutt and his helpers at that institution, and we found that while they had much to present that was very interesting from a scientific point of view, they were absolutely helpless in the matter of offering us any means by which we could apply their principles in the grain trade. However, if this subject is to be referred to a committee, as I believe it will, I am in entire accord with the amendment that has been moved. In the event of its reference to a committee, together with the related subject mentioned by the hon. member for Willow Bunch (Mr. Donnelly), it would seem to me unnecessary to go into any detailed discussion of the matter. I repeat that as a Manitoba member I desire to associate myself with those who have emphasized the importance of the subject. The farmers of Manitoba are at one with their brethern in the other prairie provinces in the endeavour to find a solution for some of the problems which have been troubling us for the last twenty-five years.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, the question of grading wheat according to its protein content was of more importance years ago, and in common with the hon. member for Lisgar (Mr. Brown) I am of the opinion that it is not even practicable for the farmer of western Canada to market wheat under that method. Some years ago we urged the government to establish a sample market. They did not do so, for obvious reasons. A sample market is a necessity for the hard wheat farmer on the North American continent, if it were possible for the farmer to market all his wheat at home. I would say that we should by all means establish a sample market, so that the farmer would get the intrinsic value of his wheat; but having to export about nine-tenths of this great wheat crop of Canada the difficulty is for any foreign miller to get the wheat he has bought on sample to its destination where he would be able to take advantage of it, and the protein content he has bought, at his own mill. It has to pass through so many terminals and transfer between Fort William and the seaboard that the identity of any wheat bought on sample is bound to be submerged in the common whole. In the first place, it is sent forward to Fort William in such quantities that after it is graded according to its content of protein at Winnipeg, bills of lading are exchanged by all companies and it is unloaded at the terminal most convenient to be used at the time.

I believe that this principle of grading wheat is not as yet practicable. Besides, I think the need of the grower has been obviated somewhat by about 60 or 70 per cent of it now being marketed by himself through the pool method, and he is to-day getting nearer the value of his product than he ever did before. If it were profitable to transfer and to preserve the identity of the wheat between the grower and the ultimate miller, I would then be in favour of such a system; but at present I cannot see that it will help the grower very much. I am not against the resolution and shall be glad to have it discussed in committee, but at present I cannot see that it is at all practicable.

Amendment (Mr. Bothwell) agreed to.

Motion as amended agreed to.

DOMINION ELECTIONS ACT

VOTING BY CLERGYMEN, TEACHERS AND STUDENTS

Mr. L. P. BANCROFT (Selkirk) moved the second reading of Bill No. 32, to amend the Dominion Elections Act.

Mr. LAPOINTE: Explain.

Mr. BANCROFT: I explained the bill briefly on the first reading and I hardly think it necessary to discuss it at any great length now. I will ask the house to pass the second reading and allow the bill to go to the committee on privileges and elections for detailed consideration. The object is to obviate the disfranchisement of clergymen, school teachers and students when, in the pursuit of their various callings or studies, they find it necessary to change their place of residence from one constituency to another within the period during which, under the present law, such transfer of residence would disqualify them. This period covers about four months prior to the date of the election. Most of our federal elections are held in the fall of the year. Practically every federal election since 1896 has been held in the fall, and clergymen usually change their pastorates during the summer months, while school teachers take up new duties about the first of September and university students and those in business colleges about the first of October. Should any of these three classes change their place of residence at the beginning of their respective terms they are disfranchised under the present act if the election happens to take place in the fall. The act provides that

the voter shall reside in his present polling subdivision for a period of sixty days prior to the issue of the writ of election, and as the writs are usually issued about two months before the election it means that the voter must reside in his division for about four months preceding the election.

The question may be asked, why make an exception in favour of clergymen, school teachers and students? I would point out that under the act as it stands a similar exception is made in favour of railway employees, sailors and commercial travellers, in the interests of whom advance polls are provided.

I brought down this bill last year and it received its first reading but it could not be dealt with at that session. I would remind the house that before introducing the bill then I took the matter up with Colonel Biggar, then chief electoral officer, and discussed it fully with him, and he agreed that the amendment proposed should be carried into the act. As I say, objection might be raised to confining it to these three classes.

Mr. HEAPS: Why not include harvesters?

Mr. BANCROFT: I should like to see every harvester's franchise preserved to him and every Canadian citizen enabled to exercise his voting rights. But in framing the bill we confined it to those classes by whom the concession would be impossible of abuse.

Mr. HEAPS: Does the hon. member suggest that harvesters would abuse the privilege?

Mr. BANCROFT: I do not say that harvesters would abuse it, but I can conceive the possibility of a transfer of votes on the part of harvesters from one constituency to another, where you had a close seat in one place and a safe seat in the other. Some particular brand of harvesters might migrate from the safe seat to the close seat and cast their vote there.

Mr. KELLNER: Is that not possible with students?

Mr. BANCROFT: This is confined to students in the higher institutions of learning —universities and business colleges. All students entering these institutions are obliged to make application, wherein they must state their place of residence. The secretary, or whoever happens to have charge of such matters, the registrar of the institution, perhaps, knows pretty well the history of every student coming in. Moreover, the bill provides that the person making application to the registrar to have his or her name put on the voters' list shall satisfy that officer that he or she is qualified in every other respect, apart from the question of residence. The same thing applies to school teachers and clergymen. When people apply for positions as school teachers the secretary of the school district, to whom the applications are sent, learns their history to a certain extent. The secretary of every school district knows where a particular teacher comes from, how long he has been in his last place of residence, and gets sufficient information generally on which to enable the registrar to decide whether or not the applicant is qualified to vote. In the case of clergymen, I believe, every religious denomination has some board or other body that passes upon all transfers from one pastorate to another. In each of these three cases, therefore, the record can be checked up if necessary, and the onus is placed upon the applicant who, when he applies to the registrar to have his name included in the list, must furnish satisfactory proof that, apart from residence, he is qualified to vote. The provision in the act which this bill seeks to amend reads:

—has ordinarily resided in Canada for at least twelve months and in the electoral district wherein such person seeks to vote for at least two months immediately preceding the issue of the writ of election.

This bill will add to that subsection the following:

Provided, that clergymen or school teachers following their respective occupations or students attending a university or other institution of learning and following their studies, who have ordinarily resided in Canada for at least twelve months immediately preceding the issue of the writ of election, shall be permitted by the registrar to have their names placed on the voters' list if it be proven to the registrar's satisfaction that they will be residing, on the day the election is to take place, in the electoral district wherein they seek to vote, and the rules in schedule A and B of section thirty-two of the act shall apply to this proviso in so far as they are not inconsistent therewith.

As I said when introducing the bill, this amendment affects approximately 12,000 clergymen, 63,000 teachers and 75,000 students.

Mr. BENNETT: What warrant is there for making that statement?

Mr. BANCROFT: The Dominion Bureau of Statistics.

Mr. BENNETT: There are that many in Canada?

Mr. BANCROFT: Yes.

Mr. McGIBBON: But they do not change every year.

Mr. BANCROFT: It would be very hard to find out how many change every year, but it affects them all because they all change from time to time. I would ask the house to allow the bill to be read a second time and referred to the committee on privileges and elections.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I am not a member of the committee on privileges and elections and consequently will not have an opportunity of taking part in the discussion of this bill should it be referred to the committee. There is no analogy between the advanced poll provided for by the Dominion Elections Act and the purpose of this bill. The advanced poll only gives to the individual voter an opportunity to vote in the riding where he or she is entitled to vote; but this bill proposes to give the right to three particular classes in the community to vote in a constituency other than that in which under the act they now would be entitled to exercise their franchise. If the hon. member wants to shorten the time of qualification for voting, he should have brought in a bill aptly worded, and made all classes equal in this respect; but this bill applies to three particular classes, students, clergymen and teachers, and puts them in a preferred category. There are other men and women who may find themselves in exactly the same difficulty at election time as the people in question, and why should they be deprived of the privilege to be granted by this amendment? Men engaged in railroad work and harvesters cannot vote at the advanced polls provided for under the act, although they have a right to the franchise. I am as anxious as the hon. member is to give every elector an opportunity to cast his vote at election time, but I am opposed to granting favours to a few and thus creating inequalities under our electoral law. The hon. member has given the number of students, clergymen and teachers who would be benefited by the passage of this bill, but although he gives those figures on the authority of the Bureau of Statistics, it does not follow that all those people are entitled to vote; a large percentage of the students, for instance, may be under the age of twenty-one, and others may not be Canadian citizens. I have no objection to this bill going to the committee on privileges and elections, but I do hope that that committee will thoroughly look into the inequalities to which I have drawn attention and put every section of the community on an equal basis.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, as the mover of the bill says he agrees to its being referred to the committee on privileges and elections, I have no objection to the second reading.

Motion agreed to, bill read the second time and referred to the select standing committee on privileges and elections.

BANKRUPTCY ACT AMENDMENT

ATTENDANCE FOR EXAMINATION

Mr. J. C. BRADY (Skeena) moved the second reading of Bill No. 38, to amend the Bankruptcy Act.

He said: Mr. Speaker, under the Bankruptcy Act each province becomes a bankruptcy district, but the governor in council may divide such districts into two or more divisions and appoint an official receiver for each division. In the centre of British Columbia, an immense area through which are scattered many small towns and business centres, there are only two official receivers, one at Vernon and the other at Prince Rupert, and tremendous distances have to be travelled by the debtor in order to appear before the official receiver for examination. The purpose of the amendment is not to interfere with the basic principles of the act but simply one of procedure in examination of the debtor and to obviate the present necessity of the debtor being obliged to travel so far to the detriment of the creditors, because his travelling expenses naturally come out of the estate. This bill would make the Bankruptcy Act operative in those areas wherein to-day it is inoperative, due to the conditions that I have just referred to. In other words, it would enable creditors there to benefit by the act as they do in urban centres.

Let me give the house an illustration typical of the difficulties in securing a debtor's examination in those areas. A bankrupt who formerly carried on business near Prince George is now resident in Vancouver. From Vancouver to Prince George the distance by the Pacific Great Eastern railway is 480 miles, and via Prince Rupert by water and rail the distance is about 1,200 miles. Now, the debtor is obliged under severe penalties to travel to Vernon to appear for examination before the official receiver of the district

wherein he formerly resided. Later he must go to Prince George where the creditors' meeting would naturally take place. The purpose then of the amendment is not to interfere with the basic principles of the act but to render the act operative in those areas wherein to-day it is not possible for the creditors to benefit by it. I think, therefore, that anybody who has studied the bill and read the observations set forth therein will have no difficulty in seeing that it is of great importance that the creditors be enabled to get something at least out of the estate. In one particular instance where the act was taken advantage of the creditors were obliged to pay the debtor's expenses on two occasions and yet they received no benefit whatsoever out of the estate. The purpose, therefore, of the amendment is simply to render the act operative throughout the whole of Canada, and likewise to enable the creditor or the creditors to receive the benefits which it was intended by the act that they should receive.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, the hon. member for Skeena placed before me some time ago, simply as a friend, the difficulties of securing examinations in British Columbia and in some of the districts of the northwest. It has seemed impossible to bring debtors five hundred, six hundred, or a thousand miles, through rough country oftentimes for the purposes of examination. I think the gist of it is in section 1, subsection 1, the last sentence:

> The examination of the debtor shall be taken before a magistrate, justice, commissioner for taking affidavits, notary public or any qualified person authorized by the court to take evidence, at such place of business or residence, or as near thereto as possible.

It will be made under an order of the court anyway, and in my opinion it simply gives a judge having charge of bankruptcy proceedings authority to have an examination, as we say in the English law, de bene esse. I thought that under those circumstances it was a proper amendment for the consideration of the house, but it could be more particularly studied in committee if the Minister of Justice would consent that it go before the committee for study and consideration. It is simply a matter of procedure, not an amendment of substantive law.

Hon. ERNEST LAPOINTE (Minister of Justice): This bill having been printed only a couple of days I admit that I have not been able to give the matter the consideration it deserves. The Bankruptcy Act was put into our statutes after long consideration by committees of the house, and every section of it was carefully studied. I am rather reluctant, therefore, to change the act without giving the fullest consideration to the proposed change. However, I will say this to my hon. friend: I admit that the act as it is may in some special cases involve rather a hardship. Under section 128 of the act the debtor is required, within three days of the assignment, to present himself before the official receiver for examination, and that under penalty of imprisonment. I think the ordinary practice is to have this examination at the same time as the debtor presents his assignment to the official receiver. He has to travel some distance, a long distance in some cases, and at considerable expense. In some cases there are not many assets, and even if there are assets the debtor personally has no money. Even with a provision that he should be reimbursed out of the proceeds of the assets he could not go for the examination. On the other hand I am advised by the officers in charge of the administration of the law that they do not know of any case where a man has been imprisoned because he did not, owing to lack of funds, go for his examination. I may say to my hon. friend that those are obstacles, but they were purposely put into the act in 1923 because of the flood of assignments which occurred at that time, especially in rural districts. In my own province it was considered a plague, and those obstacles were placed in the way of these many assignments, which were regarded as a real danger.

Now the question is whether the time has come to remove the obstacles and in what way that shall be done. One method would be to appoint more official receivers. For instance in the province of Quebec there are at present thirteen official receivers and thirty judicial districts. If there were an official receiver in every district there would be thirty instead of thirteen. I am considering the advisability of authorizing the official receiver to appoint a deputy in some cases in other parts of the district. I may say to my hon. friend from Skeena (Mr. Brady) that as far as his province, and I think his district, is concerned, I have come to the conclusion that an official receiver should be appointed at Prince George. I think this would go a long way to remove the difficulties of which my hon. friend complains. The question of distributing the work between the judges of the high court and of county courts is also engaging the attention of the department. As to authorizing a notary public or minor magistrate to do the work which

is mentioned in the bill, I am not sure that it would be an improvement. However, we are at the present time considering changes to be made to improve the act.

I do not know whether it would be better to send this bill to the committee on banking and commerce—I suppose that committee would be the natural one—or, perhaps, allow it to stand. In the latter case my hon. friend might discuss the matter with me and the officers of my department and we might come to a conclusion that would satisfy him.

Mr. BRADY: That would be very satisfactory. While the minister was speaking I was thinking that the Yukon, for example, has no official receiver. There may be no bankruptcy cases up there; possibly they settle such cases in their own way. I have never heard of a Yukon bankrupt; apparently he is non-existent, but there are many cases to-day in British Columbia where the creditors do not utilize the Bankruptcy Act, or benefit by it, because of the great outlay involved.

Mr. LAPOINTE: Stand.

Hon. R. B. BENNETT (Leader of the Opposition): The motion for the second reading has been moved, and the Minister of Jupstice has expressed the opinion of the administration with respect to it. I hardly think the bill could be allowed to stand now; the debate would have to be adjourned. That I think would be the proper procedure. In view of what the minister has said as to the general condition of the law I am sure he will agree that the most we have done thus far this session has been to amend statutes that were consolidated during the last few years and which came into effect in revised form on the first day of this month. This particular statute was one of them. The subject matter here is worthy of the most careful attention on the part of the government, having regard to the size of the territory and the limited number of people in the area affected, and it perhaps would advance the public business if we just allowed this bill to go pro forma to the committee. Then if the minister concludes it will be desirable to adopt this amendment, we will get it off the order paper and advance it that far. Perhaps the minister might be willing to deal with it in that way.

Mr. LAPOINTE: I hope I shall be able to agree with all the proposals of my hon. friend as I am pleased to agree with this one.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

[Mr. Lapointe.]

UNOPPOSED MOTIONS FOR PAPERS

MALLORYTOWN POST OFFICE

Mr. STEWART (Leeds):

For a copy of all reports, petitions, correspondence, orders in council, recommendations, communications, memoranda, and other documents in any way relating to the change in the location of the post office at Mallorytown, in the county of Leeds, Ontario.

DALEM LAKE—BOULARDARIE POSTMASTERSHIP

Mr. JOHNSTONE:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of Alex. McDonald, Dalem Lake, Boulardarie, Cape Breton, from the position of postmaster, and also all similar papers in connection with appointment of his successor.

WESTERN SHORE POST OFFICE

Mr. ERNST:

For a copy of all correspondence, telegrams, letters, and other documents in connection with the removal of the post office at Western Shore in the county of Lunenburg, in the province of Nova Scotia, from the residence of Mr. E. Holman to another part of the district.

CONQUERALL BANKS POSTMASTERSHIP

Mr. ERNST:

For a copy of all correspondence, telegrams, letters, and other documents in connection with the dismissal of Mrs. Albert Rafuse from the position of postmistress at Conquerall Banks, Lunenburg County, Nova Scotia, and in connection with the appointment of her successor.

MAHONE BAY—CHURCH LAKE MAIL ROUTE

Mr. ERNST:

For a copy of all correspondence, telegrams, letters, and other documents in connection with the proposed change of mail route between Mahone Bay and Church Lake, in the county of Lunenburg, Nova Scotia.

RELATIONS WITH SOVIET RUSSIA

Mr. HEAPS:

For a copy of all correspondence, telegrams, orders in council and other documents, pertaining to the breaking off of relations between Canada and Soviet Russia.

Mr. MACKENZIE KING: There is no objection to bringing down this return; but I should mention to my hon. friend that some despatches have passed between the British government and our government, and as is customary in relations between governments, I should wish to get the consent of the British government in regard to any communications that have come from or gone to that source before laying them on the table.

Motion agreed to.

CHICAGO DRAINAGE CANAL

MOTION FOR PRODUCTION OF REPORTS AND CORRESPONDENCE RESPECTING DIVERSION OF WATER

Mr. C. H. CAHAN (St. Lawrence-St. George) moved:

For a return showing: 1. The report of the three Canadian members of the international waterways commission, dated on or about April 25, 1906, recommending the negotiation of a treaty with the United States respecting the international waterways lying along the international boundary between the United States and Canada, and referring to the diversion of 10,000 cubit feet per second by way of the Chicago drainage canal to the Mississippi river.

2. The joint report of the international waterways commission to the governments of the United States and Canada, dated May 3, 1906, recommending, amongst other things, that a diversion for sanitary purposes not exceeding 10,000 cubic feet per second be authorized for the Chicago drainage canal.

3. A report, dated January 4, 1907, by the international waterways commission recommending that the government of the United States prohibit the diversion of more than 10,000 cubic feet per second for the Chicago drainage canal.

4. All reports, correspondence or documents in the possession or under the control of any department of the government of Canada, which would tend to substantiate or to qualify the statement made to the foreign relations committee of the United States Senate, when the waterways treaty of 1909 was under consideration, that the representatives of the government of Canada "consented to leave out of this treaty any reference to the drainage canal, and we are now taking 10,000 cubic feet per second for the drainage canal which really comes out of this lake system."

5. Copies of all correspondence, reports or documents relating to any protests made by or on behalf of the government of Canada against the diversion of waters from lake Michigan by the sanitary district of Chicago.

He said: The subject of the right of the Chicago sanitary district and of the state of Illinois to divert water at Chicago has been discussed in this house on a number of occasions, and the present Minister of the Interior (Mr. Stewart) made remarks in regard to the matter on March 26, 1924, again on June 3, 1924, and more recently in this house during the session of 1926. On January 25, 1926, the Minister of the Interior, in the course of a review of the whole matter, made to the house a formal statement in which he referred to a judgment of the Supreme Court of the United States dated January 5, 1925, restraining the Chicago sanitary district from withdrawing water from lake Michigan through the Chicago drainage canal in excess of the quantity then authorized by the United States Secretary for War. The Minister of the Interior then said:

This judgment—

Referring to the judgment of the United States federal court.

—recognized for the first time, that the diversion affects and was contrary to Canadian rights under the Boundary Waters treaty of 1909.

I examined that judgment at some length, but I was unable to find in the terms of the judgment any such recognition as suggested by the Minister of the Interior. In any case the injunction was obviated by the fact that the United States Secretary for War, on March 3, 1925, granted a further permit to the Chicago sanitary district to withdraw water up to the quantity then required. The Minister of the Interior on that occasion also referred to a bill then before the United States Senate which "provides for the construction of a nine-foot navigable channel in the Illinois and Mississippi rivers based on the diversion from lake Michigan through the sanitary district canal of an amount of water not to exceed 10,000 cubic feet per second." The minister continued:

The government is fully alive to the menace of the provisions of this bill to the navigation, power and other interests of the great lakes and St. Lawrence river, and is registering with the United States government a vigorous protest against its passage in so far as it contemplates the withdrawal of water from the great lakes.

It seems to me, Sir, most important in view of subsequent developments that these protests, such as they are, should be laid before the house so that the house may really understand the nature of the position taken by the government as represented by the minister.

On June 7, 1926, the United States Supreme Court referred three suits then pending in the federal courts—in which twelve states appeared as complainants against the state of Illinois and the Chicago sanitary district as defendants, all of which were consolidated and referred—to Charles Evans Hughes, as master, to take the evidence and to report thereon. The appointment of master in the federal courts of the United States, as it is in our own courts, is usually made of an appointee versed in the law, but of some impecunious lawyer who has not very much of a practice to occupy his attention. The appointment of a former secretary of state of the United States, a former governor of the state of New York, and an ex-judge of the supreme court of the United States, seems to suggest that the appointment of Mr. Hughes had political as well as judicial significance.

The prolonged inquiry before Mr. Hughes as special master, which continued from November 8, 1926, to June 23, 1927, was at length completed, and in November, or early in De-

cember last, Mr. Hughes filed his report, which seems to be of special interest to this country. In this report Mr. Hughes briefly finds:

That the congress of the United States has power to regulate the Chicago diversion and to determine whether and to what extent it should be permitted;

That congress has by various enactments conferred authority upon the United States Secretary of War to regulate such diversion;

That the permit of the Secretary of War under which such diversion is now being made is valid and effective according to its terms;

That there is, in law and in fact no unlawful or illegal diversion of waters at Chicago.

In other words, in popular newspaper parlance, there is no "Chicago steal" so far as the United States is concerned. This report is satisfactory to this country, I should think, at least in this respect, in that if it is confirmed, as seems likely, it affirms unconditionally that, so far as the United States is concerned, the congress of the United States has exclusive control over this diversion at Chicago. So that so far as Canadian interests are affected thereby, it would seem that the federal government of the United States must accept full responsibility.

Dealing with conclusions of fact, that report also affirms what has been the contention made in this house by members of the government, namely, that the effect of a diversion of 8,500 cubic feet per second has been to lower the mean levels of lakes Michigan and Huron six inches, the mean levels of lakes Ontario and Erie approximately five inches, the mean levels of the connecting rivers, bays and harbours, which have the same mean levels as the lakes I have mentioned, to the same extent respectively, and that each additional diversion of 1,500 cubic feet per second would lower the above levels by approximately one inch more; and finally there is the conclusion of fact from the evidence that if this diversion at Chicago were ended, assuming that other diversions remain the same, the mean levels of the lakes and rivers affected by the Chicago diversion would be raised in about five years in the case of lakes Michigan and Huron, and in about one year in the case of lakes Erie and Ontario, to the same levels as they previously were before they had been lowered respectively by the Chicago diversion.

So far the report was well within the bounds of the reference to Mr. Hughes, but in the evidence as submitted to him there were certain reports which had been made by the old international waterways commission in which the American members and the Canadian members of that commission had concurred, and which came under review by Mr. Hughes in making his report; and he perhaps goes beyond the scope of his reference, or, at least, the finding which he made in that respect is not binding upon Canada at all events. Mr. Hughes suggests that Canada has no valid ground of complaint under the waterways treaty of 1909, and that, in fact, Canada is now precluded by the conduct and consent of its representatives and by the terms of the waterways treaty of 1909 from making any effective protest against such diversion.

The evidence discloses the following significant facts:

For many years prior to 1909, the congress of the United States had under consideration the diversion of 10,000 cubic feet of water per second from lake Michigan into the Illinois river and thence to the Mississippi river for the purposes of the sanitary district of Chicago, and also to provide a connection between the navigation of the great lakes and the Mississippi river and its tributaries.

I shall not review at length in the short time at my diposal the various statutes passed by the congress of the United States under which these diversions were authorized.

Mr. STEWART (Edmonton): As to the amount of water—

Mr. CAHAN: I have all the permits here. Permits were granted at various times up to 8,500 cubic feet per second, in addition to about 1,400 or 1,500 cubic feet which had otherwise been diverted.

Mr. BENNETT: Not exceeding 10,000 cubic feet in all.

Mr. CAHAN: Yes. It is about 9,800 cubic feet in all.

Mr. STEWART (Edmonton): But my hon. friend is not arguing—

Mr. CAHAN: I am not arguing at all. I am simply making a statement with regard to a prima facie case.

Mr. STEWART (Edmonton): I just want to get it clear. Do I understand that my hon. friend says that the Hughes judgment suggested that 10,000 cubic feet was actually being diverted under the treaty of 1909?

Mr. CAHAN: I have not gone that far, and I am not suggesting it. I will tell you in a few moments what he does say. These early statutes to which Mr. Hughes refers in his report were passed by the congress of the United States, some ten years prior to the negotiation of the waterways treaty of 1909. On November 18, 1900, a board of engineers, appointed under the act of congress of March

3, 1899, referred to the drainage canal as of "sufficient depth and width for any possible requirements of navigation", and reported that "from the west end of this canal the waters of lake Michigan, in a steady flow amounting to from 5,000 to 10,000 cubic feet per second, are discharged into the bed of Des Plaines river and are carried thence down the Illinois river to the Mississippi".

Subsequently further permits were issued, and then we come to the appointment of the first international waterways commission. This commission was formed in pursuance of an act of congress of the United States, known as the River and Harbour Act, of June 13, 1902, and with the permission of the house I would like to place this one clause of that act on Hansard without reading it:

The president of the United States is hereby requested to invite the government of Great Britain to join in the formation of an international commission to be composed of three members from the United States and three who shall represent the interests of the Dominion of Canada whose duty it shall be to investigate and report upon the conditions and uses of the waters adjacent to the boundary lines between the United States and Canada including all of the waters of the lakes and rivers whose natural outlet is by the river St. Lawrence to the Atlantic ocean, also upon the maintenance and regulation of suitable levels and also upon the effect upon the shores of these waters and the structures thereon and upon the interests of navigation by reason of the diversion of these waters from or change in their natural flow and further to report upon the necessary measures to regulate such diversions and to make such recommendations for improvements and regulations as shall best subserve the interests of navigation in said waters.

It provided for a commission on which Canada should be represented by three Canadian members to be appointed by the government of Canada, the United States by three American members to be appointed by the government of the United States, who were to form an international commission. These six members were to represent the interests of their respective countries, and it was their duty to investigate and report upon the conditions and uses of the water adjacent to the boundary line between the United States and Canada, including all of the waters of the lakes and rivers whose natural outlet is by the river St. Lawrence into the Atlantic ocean; also upon the maintenance and regulations of suitable levels, and also upon the effect upon the shores of these waters and the structures thereon, and upon the interests of navigation, by reason of the diversion of these waters from or change in their natural flow, and so on. The Canadian government, of which Sir Wilfrid Laurier was then Prime Minister, accepted the invitation of the United States, and by order in council dated April 27, 1923, made provision for Canada making appointees to this commission for the purposes mentioned in the act; but it was not until January, 1905, that the three Canadian members were all actually appointed, and the order in council of the government of Canada, among other things, authorized them to inquire into the levels of lake Huron and lake Erie by the construction of the Chicago drainage canal.

The commission held its first meetings in Toronto on June 14 and 15, 1905. The United states Board of Engineers reported to congress on January 18, 1905, as follows:

The Chicago drainage canal was brought into use in January, 1900. It has not yet been completed to its full capacity as desired. When fully completed it will have a capacity of about 10,000 cubic feet per second flowing at a low velocity. As now constructed it has a depth of about 22 feet and a bottom width in different parts, 110 feet, 160 feet and 202 feet respectively. It constitutes a navigable channel, able to accommodate the largest vessels now navigating the great lakes. It extends from the Chicago river to Lockport, where it discharges into the Des Plaines river. . . In preparing its estimates the board—

That is the United States board—

—has assumed that the full discharge of 10,000 cubic feet per second contemplated in the plans of the sanitary district will eventually be permitted by the Secretary of War.

The effect of this diversion upon the level of the great lakes was even then clearly apparent. In the same report, the United States board of engineers says:

The effect upon the level of lake Michigan of withdrawing 10,000 cubic feet per second for an indefinite period has been the subject of elaborate investigation under the office of the lake survey at Detroit, and the conclusion reached is that the final effect will be to lower the level about six inches.

Which was as subsequently found in the evidence adduced before Mr. Hughes last year. That report was dated December 18, 1905, and on December 29, 1905, the Canadian section of this international waterways commission made its first report showing that a subcommittee of the commission personally visited the Chicago drainage canal and that the drainage canal was not then completed. Their report continues:

The canal is not yet completed. It was designed to take up eventually a volume of 10,000 cubic feet per second. This represents about five per cent of the flow over Niagara falls which is about 222,400 cubic feet per second. The Chicago drainage canal when completed will, according to a calculation furnished by an engineer of the Canadian section of the commission, lower the level of lake Huron by six inches and the level of lake Erie by four and a half inches. But the Chicago drainage canal

takes now less than half of the volume originally contemplated. The United States war department in its power of conserviency to protect the navigation in the Chicago river has, December 5, 1901, limited the volume of water which can be taken through it into the Chicago drainage canal, to 250,000 cubic feet per minute throughout the 24 hours of the day which is about 4,166 cubic feet per second. If the original plans of the Chicago drainage canal are carried out, and it seems likely that this will be done, it will eventually take out as above stated, 10,000 cubic feet per second.

Therefore the result of this diversion was well known at the time to the American members who made a separate report to their government and to the Canadian members who also made a separate report to their government, both concurring in the facts stated. Then on the 9th of March, 1906, the three representatives of the United States on the international waterways commission in a report to congress recommended legislation authorizing the diversion of 10,000 cubic feet per second through the Chicago drainage canal. Note the time! And on April 25, 1906, the following month, the three Canadian members of this commission recommended to the Canadian government that the proposed diversion at the Niagara river should be limited to 36,000 cubic feet per second on the Canadian side and to 18,000 cubic feet per second on the American side, exclusive of the amount required for domestic uses, saying that the apparent advantages to Canada were more than counterbalanced by the complete diversion of 10,000 cubic feet per second by way of the Chicago drainage canal to the Mississippi river, and urging that the diversion at Chicago should be limited to the quantity mentioned.

On April 25, 1906, the Canadian members of the international waterways commission also reported to the Canadian government, as follows:

At Chicago the Americans have built a drainage canal which, when in full operation, will use about 10,000 cubic feet of water per second. The quantity of water required for the purposes of a ship canal is comparatively small, but the character of this drainage canal at Chicago is such as to involve a continuous flow of water which will have the effect of lowering lake Michigan by over six inches and lake Erie by four and one-half inches.

Then they go on to say that this water by being diverted can be used to generate some 30,000 horsepower, and they say:

As the diversion from lake Michigan to the Mississippi river is of much more serious character than the temporary diversions from the Niagara river, it is felt that the amount of water to be taken on the American side of the Niagara river should be limited to 18,500 cubic feet per second.

[Mr. Cahan.]

They proceed:

It is exceedingly important, in the interests of navigation both to ourselves and to the people of the United States, that the diversion by way of the Chicago drainage canal should be limited.

Then they proceed—and I will not detain the house by quoting it all:

If our proposals are carried out the diversions will be about as follows:

Diversions on the American side

	Per second cubic feet
Niagara falls..	18,500
Chicago drainage canal.. ..	10,000
Total..	28,500

Diversions on the Canadian side

	Per second cubic feet
Niagara falls and on the Niagara peninsula..	36,000

The Canadian commissioners thereupon proceed to recommend that:

The diversion by the Chicago drainage canal should be limited to the use of not more than 10,000 cubic feet per second, and they also recommend that on the Canadian side at Niagara a diversion for power purposes should be authorized of 36,000 cubic second feet, and on the American side at Niagara only 18,500 cubic second feet.

And the Canadian commissioners add:

This would give an apparent advantage to Canadian interests, but as the diversion is not of serious injury to the falls and does not materially affect the interests of navigation it is more than counterbalanced by the complete diversion of 10,000 cubic feet by way of the Chicago drainage canal to the Mississippi river.

This report, which deals with the question of Canada's receiving compensation in respect of the 10,000 cubic feet per second proposed to be used in the diversion at Chicago, is signed by George C. Gibbons, chairman, Louis Coste and W. F. King, members, and Thomas Cote, secretary of the Canadian section. Then follows in the same year, indeed about eight days later, a joint report from the international waterways commission, including both the American and the Canadian members. That report, submitted to the respective governments, contains the following:

The commission, therefore, recommend that such diversions exclusive of water required for domestic purposes or the service of locks in navigation canals be limited on the Canadian side to 36,000 cubic feet per second and on the United States side to 18,500 cubic feet per second (and in addition thereto a diversion for sanitary purposes, not to exceed 10,000 cubic feet per second, be authorized for the Chicago drainage canal) and that a treaty or legislation be had limiting these diversions to the quantities mentioned. The effect of the diversion of water by the Chicago drainage canal

upon the general navigation interests of the great Lakes system will be considered in a separate report.

Then on January 4, 1907, the following year, the Canadian members of the international waterways commission reviewed and again reaffirmed their recommendations of April 25, 1906, and also reaffirmed the joint recommendation of the international waterways commission of May 3, 1906, that:

A diversion for sanitary purposes, not to exceed 10,000 cubic second feet, be authorized for the Chicago drainage canal.

That recommendation was signed by the Canadian members, Messrs. George C. Gibbons, chairman, and W. F. King and Louis Coste, members, and Thomas Cote, secretary. They closed their report as follows:

The position at Niagara falls has been dealt with having regard to the exceptional circumstances there existing and taking into consideration the large permanent diversion by way of the Chicago drainage canal.

On January 4, 1907, the joint commission also reported to their respective governments. I have not time now to review at length that most extraordinary report, but I merely quote from the summary contained in the report as jointly prepared:

The diversion of 10,000 cubic feet of water per second at Chicago will render practicable a waterway to the Mississippi river fourteen feet deep.

This joint report, in which the Canadian members concurred, after reviewing all the facts, formally recommends:

Careful consideration of all the circumstances leads us to the conclusion that the diversion of 10,000 cubic feet per second through the Chicago river will, with proper treatment of the sewage from areas now sparsely occupied, provide for all the population which will ever be tributary to that river, and that the amount named will therefore suffice for the sanitary purposes of the city for all time. Incidentally, it will provide for the largest navigable waterway from Lake Michigan to the Mississippi river which has been considered by congress.

I wish to put on Hansard their joint recommendation in the form in which it appears:

We therefore recommend that the government of the United States prohibit the diversion of more than 10,000 cubic feet per second for the Chicago drainage canal, all of which is respectfully submitted.

W. F. King, chairman, Canadian Section.
Geo. C. Gibbons, Louis Coste, members, Canadian Section.
O. H. Ernst, Brig.-General U.S. Army, retired. Chairman, American Section.
Geo. Clinton, E. E. Haskel, members, American Section.
Attest: W. Edward Wilson, Secretary, American Section.
Thos. Cote, Secretary, Canadian Section.

On March 9, 1908, the Canadian members of the international waterways commission, who were then George C. Gibbons, Louis Coste and William J. Stewart, made a supplementary report to the Canadian government reaffirming the recommendation of the joint commission of May 3, 1906, that:

A diversion for sanitary purposes, not to exceed 10,000 cubic feet per second, be authorized for the Chicago drainage canal.

Thereupon the government of Canada, with the full knowledge of the reports cited, began the negotiations with the government of the United States that resulted in the waterways treaty of 1909, which was signed at Washington on January 11, 1909 and subsequently confirmed by this parliament. That treaty was negotiated, as nearly as I can ascertain from a study of the record, by three members of the Canadian government, Hon. Mr. Pugsley, since deceased, Mr. afterwards Sir George Gibbons, also deceased, and the then Minister of Justice, who is now a member of the upper house, Sir Allen Aylesworth. When the matter of the ratification of this treaty came before the house, Mr. Aylesworth, as he was then, said on December 6, 1910:

I take, with each of my colleagues, the fullest responsibility for recommending the acceptance of the treaty which is under consideration.

I quote from page 908 of Hansard of 1910-11. Sir Wilfrid Laurier, then Prime Minister, said:

I may say it was only after careful and exhaustive consideration on my part that I agreed to accept the treaty as it has been written.

The Hon. Elihu Root, who was then Secretary of State for the United States, and who negotiated the treaty on behalf of that country, in submitting the draft treaty to the foreign relations committee of the United States Senate, said.

I have carefully guarded the terms of this treaty in order not to include lake Michigan and not to involve Senator Cullom's constituents in the drainage canal in this treaty in any way.

Of course, his statements are not binding on us. However, Mr. Root continued:

The great bulk of the water goes on the Canadian side and the waterways commission that was appointed some time ago to deal with the question of the lake levels reports, I think, that 36,000 feet can be taken out on the Canadian side and 18,500 feet on the American side, without injury to the falls. I thought it wise to follow the report of the commission and I put in 1,500 feet in addition to get round numbers.

Then he proceeds:

We are now taking 10,000 cubic feet a second out of lake Michigan at Chicago and I refused to permit them to say anything in the treaty

about it. The definition of boundary waters was carefully drawn in order to exclude lake Michigan. . . . In the third place—

Referring to the reasons for allowing the United States to divert only 20,000 cubic feet while Canada was allowed 36,000 cubic feet.

—they—

That is, the Canadians.

—they consented to leave out of this treaty any reference to the drainage canal and we are now taking 10,000 cubic feet per second for the drainage canal which really comes out of this lake system.

Mr. Hughes, quoting these words, finds that:

The statement of the Secretary of State (Elihu Root) before the foreign relations committee of the Senate, when this treaty was under consideration, shows that it was not intended to cover lake Michigan as a boundary water, or to affect the diversion through the drainage canal at Chicago.

Now, this treaty is still in full force and effect, but it may be rescinded on twelve months written notice by either party to the other. The treaty was negotiated, as stated in its preamble:

To prevent disputes regarding the use of boundary waters—

and to settle all questions which were then—

—pending between the United States and Canada involving the rights, obligations, or interests of either in relation to the other or to the inhabitants of the other along their common frontier.

Then I may go on and show that by the express terms of the treaty lake Michigan was excluded. The preliminary article of the treaty defines "boundary waters" as:

The waters from main shore to main shore of the lakes and rivers and connecting waterways or the portions thereof along which the international boundary between the United States and the Dominion of Canada passes.

Therefore by the express terms of the treaty lake Michigan, through which the boundary line does not pass, was excluded. I think that is common ground. But apparently to place beyond doubt the reservation of lake Michigan from the operation of the waterways treaty, it was inserted in the treaty that the term "boundary waters" shall not include:

Tributary waters which in their natural channels would flow into such lakes, rivers and waterways—

—as are included in the term boundary waters. Thus making it very clear that, although the waters of lake Michigan may be of the same level as lake Huron and may connect with and flow into lake Huron, lake Michigan is nevertheless not included in the term "boundary waters."

[Mr. Cahan.]

Then article 2 of the waterways treaty further expressly reserves to each of the parties:

The exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line, which in their natural channels would flow across the boundary or into boundary waters.

It is suggested that this reservation by the United States in respect of lake Michigan undoubtedly gives them under the treaty the right to control the use and diversion of the waters of lake Michigan. But article 2 of the treaty provides:

But is agreed that any interference with or diversion from their natural channel of such waters on either side of the boundary resulting in any injury on the other side of the boundary shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where such diversion or interference occurs.

That is, if Canadians suffer by reason of a diversion of waters on the American side of the boundary they may go into American courts for redress and have exactly the same rights as Americans would have in their own courts; but the very fact that congress had authorized the diversion would preclude citizens of the United States from seeking redress in the courts of their own country, and Canadians seeking redress in those courts are placed on the same plane, and therefore would have no right of action.

But the representatives of the United States who negotiated this treaty went still further apparently so as to leave no room for doubt, for they inserted the following proviso to article 2:

But this provision—

As to the right to seek redress in the courts.

—shall not apply to cases already existing, or to cases expressly covered by special agreement between the parties hereto.

And it is suggested that the waterways treaty therefore expressly reserves cases of diversion of water then existing. Chicago was then diverting as an actual fact something like 5,000 cubic feet per second—they claim more, but at least 5,000. And the treaty also withdraws from the jurisdiction of the courts those cases which are covered by special agreement. I am not stating that it is incontrovertible, but prima facie the suggestion is that in so far as the 5,000 cubic feet per second diversion is concerned, it appears to have been guarded against in that clause which I have cited; and, in so far as the full 10,000 cubic feet per second diversion is concerned, it is also guarded against in the same clause of the treaty, if there was

an agreement between the United States and Canada to carry out the joint report of the international joint commission, which I have quoted, that Chicago should be authorized to divert 10,000 cubic second feet. But if these contentions of the United States are correct—and apparently there is a colour of right in them—then from the Canadian point of view there is no semblance of a "steal," nor so far as the federal government of the United States is concerned. Newspapers on each side of politics and members on both sides of this house have during the last five or six years frequently referred to the diversion at Chicago as an illegal act of the United States, or of the state government of Illinois, or of the Chicago sanitary district—reference is usually made to the illegal act of the United States authorities, and this diversion is frequently characterized as a "steal".

Now, if Canada acquiesced in the diversion of 10,000 cubic second feet at Chicago, if, knowing all the facts, Canada with open eyes received compensation therefor in the shape of this extra 16,000 cubic second feet for use at Niagara falls, there is strong ground for the conclusion that it has made an agreement with the United States with respect thereto. I say there is a prima facie case, but in view of the relations between this country and the United States and in view of the documents which I have cited, I think the time has come when the government should, through the Prime Minister or one of his ministers, thoroughly consider this matter and state to this house and to the whole country what is the position of Canada in respect thereof. Those public documents are now known in the United States; I have seen within the last two or three days a number of them republished in American papers. If we have acquiesced in this diversion, if we have accepted compensation therefor; the honour and good faith of this country is involved, and we cannot afford to repudiate the agreement made in our dealings with a great neighbour such as the United States. If, on the other hand, there are any grounds available in the diplomatic correspondence and in the reports of those who negotiated the treaty, for contending that we have not acquiesced as the American authorities believe we have, then it is due to parliament and the people of this country that the real facts should be disclosed. It is on that ground that I urge the supreme importance of having all available documents relating to the Chicago diversion presented to the house so that we may be able to form a clear and intelligent opinion with respect thereto.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I think the house is indebted to my hon. friend for his very clear and lucid speech in connection with the transactions that took place leading up to the treaty of 1909. I was not aware, however, that all of the documents in connection with the negotiations had not been brought down and placed in the custody of parliament. I wish to assure him here and now that any documents that have not been brought down will be, and that we shall cheerfully acquiesce in his request for production of all the documents contained in the order for return.

I am not going to attempt in a detailed way to make a presentation to the house or to review many of the statements made by my hon. friend, but I am going to take some exceptions to the conclusions he arrives at. Dealing with the negotiations prior to 1909, I think it is within the knowledge of everyone that those negotiations were carried on by the accredited representatives of the Canadian government and of the United States government, and it is quite probable and within the bounds of reason, I think, that those accredited representatives would from time to time make reports to their respective governments upon conditions as they found them. It is quite true that as far back as the early forties Chicago had begun diversions from lake Michigan, and naturally in these reports the Canadian commissioners assumed that lake Michigan was boundary water, as I think we may very well assume still. My contention, as one humble member of this house, has always been that if the outflow from lake Michigan is into the great lakes system then of necessity it must be part of the boundary waters. I think that contention—if I may say so without going into detail, and I do not propose to do so to-night—undoubtedly was in the minds of the Canadian members of the commission prior to 1909, and all the documents concerned are on file here as reports to the Canadian government. No one will seek to deny that. But may I say this, and I am in no way refuting the argument of my hon. friend: at the time the treaty of 1909 was inaugurated all this knowledge was before the negotiators, and the American negotiators refused to allow lake Michigan to be included in the boundary waters, and it is not so included in the treaty of 1909. Undoubtedly one of the reasons was the very considerable

diversion that was in effect at Chicago. My hon. friend has argued, and it has been argued specifically before, that the diversion authorized in 1909 was exactly 4,167 feet. My hon. friend may argue that compensation was given us at Niagara by the diversion for the Welland canal.

Mr. CAHAN: I am not arguing.

Mr. STEWART (Edmonton): My hon. friend presents that aspect of the case—may I put the matter in that way?—and infers that because the negotiations have taken place, because these reports and documents were in the hands of the government, we are in some sense committed to a diversion at Chicago of 10,000 cubic feet per second.

Mr. BENNETT: Are we not?

Mr. STEWART (Edmonton): If my hon. friend will allow me to conclude my argument I think I will show him that we are not committed to that extent. My hon. friends opposite will admit that reports of various kinds may be made in connection with any dispute, or for the purpose of settling the negotiations in connection with what may become a dispute. Well, the documents signed and sealed indicate in no uncertain terms what took place and what was in the minds of the negotiators at that time. I am not going to deny that perhaps the Canadian negotiators felt that to a certain extent the diversion at Chicago was not warranted; but I do say that it is not part of that treaty for the specific reason that lake Michigan was left out of the award altogether. It is not part of it, nor was the Chicago drainage, and no one will argue that we have any reference to 10,000 cubic feet in that treaty.

Mr. CAHAN: I thought so.

Mr. STEWART (Edmonton): I did not think from my hon. friend's argument that he did.

Mr. CAHAN: I find it possible to believe that the diversion, if it was agreed to between the parties up to that time, was practically confirmed by the treaty.

Mr. STEWART (Edmonton): I am arguing against the inference that because of the statements and reports made prior to the treaty the Canadian government in some way were committed to a diversion of 10,000 cubic feet. I say now, as I have said before, that 4,167 cubic feet was the diversion permitted by the Secretary of War. We are glad to know now that we have not to deal in this matter with the city of Chicago or with the state of Illinois, but with congress itself.

[Mr. C. A. Stewart.]

Mr. GEARY: Is it the contention of the minister that the diversion to the extent of 4,167 cubic feet was authorized by the treaty of 1909?

Mr. STEWART (Edmonton): I am not arguing that at all.

Mr. GEARY: I am just asking for the sake of clarity, that is all.

Mr. STEWART (Edmonton): If we are committed to anything—and we are not committed under the treaty to any diversion at Chicago, as I understand it—we are committed to an order signed by the Secretary of War for the diversion of 4,167 feet at Chicago. But I do not think we are committed to that, because it is not embodied in the treaty, or in any treaty with the Canadian government that I know of. Surely if it had been the clear intention of the Canadian government to agree to the diversion something would have been said about it in the treaty. My contention is that these reports were for the purpose of leading up to the negotiation of a treaty. As there is no reference to it in the treaty which was concluded between the government of the United States and the government of Canada, we are not committed to it except by inference. Governments cannot escape the responsibility of what is a matter of record, but I reiterate that inasmuch as the diversion is not part or parcel of that treaty—it is not mentioned in any treaty to my knowledge—then the government of Canada are not committed to it.

I do not know that there is very much more to say. So far as I am concerned—and I want to have this clear—I make this statement on my own responsibility. Of course I am not without the knowledge that I am speaking on behalf of the government, but I am speaking on my own responsibility in this connection. I am quite aware that the American government—perhaps I should not say the American government but those who represent the Chicago interests and are desirous of continuing this diversion—will continue to urge that Canada is committed by the reports of the men who acted in her behalf. I claim, however, that as these reports were not acted upon the government cannot be committed to them.

May I say further that I do not think it is the intention of congress to press for the diversion of 10,000 feet at Chicago? I will admit this, and admit it very frankly, having some knowledge of these negotiations, that we have done nothing further than protest against this continued diversion and the attempt to increase it, believing that the in-

terested states surrounding Illinois and the city of Chicago, some twelve or thirteen in number, who are fighting this diversion with the desire to have it reduced, are bringing far more pressure upon the American government in this respect than perhaps we would be able to do. We are interested in every hearing, we are interested in every protest. We have maintained steadily, ever since I have come to Ottawa and became a member of this government, that we are desirous that congress should see a great reduction in this diversion and that the difference of six inches in the levels of the international waters—particularly in the St. Lawrence river, which means so much to navigation—will be restored by the return of at least a very large proportion of the nine or ten thousand cubic feet per second that are now passing through the drainage canal at Chicago.

My hon. friend mentioned one other very important point, namely, that the treaty can be terminated in one year on notice. The treaty was not intended in any sense to be a continuous document, to be in force for all time; it was intended to meet the urgencies of the case at the time it was made.

Mr. CAHAN: Does the minister think the termination of the treaty would terminate those provisions of it which deal with the exclusion of lake Michigan?

Mr. STEWART (Edmonton): I am well aware that governments are in honour bound to keep their word and I would not seek for a single moment to evade responsibility in that particular. But my hon. friend knows full well that many questions which will arise in connection with the adjustment of the international waterways will perhaps present a way by which redress can be had for the diversion at Chicago. I agree with my hon. friend it is regrettable that our newspapers have to some extent misrepresented the situation. This does not tend to improve conditions for a settlement of difficult matters of this kind—and we have difficult matters to deal with in connection with our international waterways. It does not tend to improve the relationship between foreign countries and ourselves. But at the same time I do not think for a single moment that the people of Canada, through their government by any action on their part, are committed to the diversion of ten thousand cubic feet per second in Chicago. That is the position I take and that is all I have to say on the matter at this time.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, I have listened with a great deal of interest to the presentations we have heard from both the hon. member for St. Lawrence-St. George (Mr. Cahan), who sits in front of me, and the Minister of the Interior (Mr. Stewart). I trust that what the minister has said is right. Nothing to me would appear to be more disastrous to the interests of Canada in the matter of navigation than that the government of the late Sir Wilfrid Laurier in 1909 should have in some way or another committed this Dominion to the loss consequent upon a diversion of ten thousand cubic second feet at Chicago. The Minister of the Interior has laid some stress upon the termination clause in the treaty, but at the moment I fail to see what satisfaction we can get from that. The whole quantity of water diverted at Niagara falls is in use in a very extensive way. It is devoted, I take it, largely to the purposes of the Hydro Electric Power Commission of Ontario and works are constructed there to such an extent and the use of water has become such a matter of common everyday life of the people of the province that it is impossible for us to contemplate any restoration of the 36,000 feet or the 18,000 feet over and above the 20,000 feet which were arranged to be given to United States interests. Moreover if we could and should terminate the treaty under the provisions, we are still, according to the statement of the Minister of the Interior, without any recourse as regards the diversion at Chicago, because, from the minister's statement, I take it he is of opinion that that diversion not having been mentioned in the treaty, it is of course not covered by the treaty. Surely then it would not be affected by the termination of a treaty which does not cover it.

I am very much interested, as all people have a right to be interested, in the attitude of the government with respect to these negotiations. They have dragged along for a long time. We have had ever present before us the danger of this diversion, and when the diversion is completed to the full 10,000 cubic feet per second shipping will be very seriously damaged. As a matter of fact it is very seriously damaged to-day and men engaged in the shipping business in the great lakes estimate the loss of revenue in lack of draught at many millions of dollars per annum. If we are to go through with the St. Lawrence waterway, extending a route in one way or another—and I do not want to discuss the method by which that may be done or what arrangements may be come to in regard to it—if we are to realize a dream that many of us have that some day there will be a through waterway from the outer St. Lawrence to the

great lakes, this question of the diversion at Chicago assumes a magnitude that we can hardly over-estimate. To my mind, it is almost the first step to be taken in regard to that through waterway. If we are to have the lake level restored and made permanent as far as we can, we can do so only by having this question of the diversion of water at Chicago settled.

I have yet to hear of any progress being made by the Dominion of Canada in that regard. So far as my recollection goes of the statements that have been made by the minister on behalf of the government, no one in this Dominion can be seized of the position that Canada is taking at present, how far she has gone and what are the prospects, whether by pressure, negotiation or otherwise, of this Dominion contributing to the shutting off of this diversion. True it is, that the lake cities, Cleveland, Detroit, Toledo, Milwaukee and other United States cities along the front, are as vitally interested in this as are we of the Dominion of Canada, and for the very same reasons, because the harbours, while they are not passing out of existence, are very seriously affected and the draught of lake vessels, as I intimated a little while ago, has suffered to such an extent that many millions of dollars in carriage are being lost annually.

Mr. STEWART (Edmonton): May I interject one thing that perhaps I should have said before? My hon. friend is speaking of no progress being made.

Mr. GEARY: I am.

Mr. STEWART (Edmonton): The recent order of the Secretary of War granting a diversion of 8,500 cubic feet provides that there shall be a reduction annually up to 1935 and that the diversion at that time shall not be more than 4,167 cubic feet. I should have mentioned that.

Mr. GEARY: That is conditional on the construction of certain disposal works by the sanitary district of Chicago. The diversion at Chicago may be restricted in 1934 to 7,500 cubic feet per second, but that is more than the Dominion of Canada and our friends on the opposite side of the great lakes can stand. The waterborne commerce of the country cannot stand a diversion to that extent. What I am urging upon the government is a more strenuous opposition, some results that can be laid before this house, something to prove to the people of Canada that the government is up and doing, is alive to the situation and is making some progress in its representations. We have had suggestions made that the government of Great Britain should be called upon to intervene in this matter, and that the government of the Dominion of Canada should make definite representation.

We have an embassy at Washington. It would be interesting to know how far that embassy has been entrusted with the work of negotiation, what it is doing, and whether or not the people of this country can hope with some certainty that this government will be so active in the opposition to this diversion as to ensure some success in that opposition. That I am, I say with all frankness, Mr. Speaker, unable to accept as proved for the moment. Last session and the session before we heard from the minister and from the other side of the house often enough that they were active in the matter, but what has been done, what result has been accomplished, and how far the Dominion of Canada has been able to assert its rights, I for one do not know, and I should be glad to know.

I trust that the prima facie case outlined so ably by the hon. member for St. Lawrence-St. George (Mr. Cahan) is merely a prima facie case, that there is no substance and real strength in it. I hope, and I believe he hopes and wishes just as much as I do, that the Minister of the Interior (Mr. Stewart) is right, but the fact remains that Mr. Hughes, the master, in his decision lately handed down, which I should say has a very good chance of being sustained by the supreme court of the United States when it comes before it, does set out—it may be obiter, it may be something with which the report had nothing to do—the facts that my hon. friend from St. Lawrence-St. George has set out, and evidently on behalf of the United States relies upon that position.

Perhaps it is true, I hope it is true, that the country has not been committed in any way by the reports made by our Canadian members of the international waterways commission. There has been no formal agreement so far as I know entered into between the two countries, but if my hon. friend the minister is forced to admit that the "cases now existing" refers to the diversion of 4,167 cubic feet then existing, it seems very difficult not to understand the remaining language of the clause as applying to a diversion to be extended in the future. The language is almost express, and I trust that the government will use every effort to sustain the position the minister has taken in urging that the government is not bound beyond the strict letter of that treaty, whatever it may be. I am sure he will do that.

Again I would say that if the government would convey to this house the assurance that it is using its best efforts and is getting some results in its protest against the diversion of water in Chicago, I am sure the country would be very much relieved. At present the matter is in great uncertainty, and the country is fearful of the outcome. There is no matter before the house at the present moment that is of more importance to this Dominion in practical affairs than this question of the depth of our great waterways in the great lakes and down the St. Lawrence river.

Hon. R. B. BENNETT (Leader of the Opposition): I think there are few questions of more practical importance that can engage the attention of this house than the subject matter of the motion which has been made by the hon. member for St. Lawrence-St. George (Mr. Cahan). It is quite clear that the American attitude towards this question, as expressed in their public journals during the last few weeks, is that by negotiations which took place between the representatives of the government of Canada and representatives of the United States, the Chicago sanitary canal commissioners acquired certain rights—to divert not exceeding 10,000 cubic second-feet of water from lake Michigan for sanitary purposes and power. That in itself is a proposition to which this country at the present moment is or is not bound. Whether we are bound or not depends largely upon the construction to be placed upon large numbers of documents and papers, including correspondence that has passed between the two governments, and reports that were made by certain Canadian commissioners in connection with these matters.

I find by looking at Hansard of 1909 that it is abundantly clear that the government of that day took the view that they were bound to negotiate a treaty with the United States almost in the terms in which the treaty was finally submitted for consideration. In column 867 of the Hansard of 1910, when the waterways treaty came up for consideration, the late Hon. William Pugsley, speaking for the government, discussed the proposition of international law upon which the United States government relied. He made it abundantly clear that while those propositions did not commend themselves to him as a lawyer, they were propositions which unfortunately he and others concluded they were bound to accept. I do submit that their acceptance of those propositions of international law, which are not usually accepted by nations as binding but represent a new doctrine set up by the United States; propositions which Mr. Borden, now Sir Robert Borden, then leading the opposition, opposed and stated he and those associated with him were not prepared to accept, but which Mr. Pugsley, Sir Allen Aylesworth and finally Sir Wilfrid Laurier himself after the discussion had taken place for some hours accepted; for Sir Wilfrid rose in his place and indicated, in effect, that because of our nearness to the United States and because of their general position of influence and power we were acceding to their views—the acceptance of these propositions, I say, has greatly embarrassed this country and is the source and foundation of our present troubles. I cannot think that in this day at least one would accept such propositions as easily as they were then accepted.

I refer hon. members of this house to the discussions that took place in 1909, because I take it there is not a member of this house that does not realize his great responsibility in connection with this matter. Any hon. member who will be good enough to read what I shall not trouble the house to-night to read, the long series of speeches that were made with respect to this matter, will have, I submit, a much clearer appreciation of the situation than he now has.

I have observed in some quarters a tendency to attach blame to the British government in connection with the negotiation of this treaty. The treaty itself, which is found in the statutes of 1911, pages 245 and onward, is signed by the late Lord Bryce as the plenipotentiary acting on behalf of his majesty, and by Mr. Root on behalf of the United States of America. When that treaty came before parliament for consideration, Mr. J. D. Reid, now Senator Reid, was very anxious to ascertain to what extent the Canadian government was acting in this matter. He asked the question as to who was responsible for the treaty, and at column 9183 of the Hansard of 1911 Mr. Pugsley answered in these words the question that was put to him:

> The interests of the Canadian government were looked after by Mr. Gibbons, the chairman of the international waterways commission, who was constantly in conference with the British ambassador, and who was assisted by Dr. King and Mr. Campbell, both of the Department of the Interior. On different occasions I went to Washington to render what assistance I could, and the Minister of Justice (Sir Allen Aylesworth) also went to render assistance at one stage in the negotiations.

Mr. Reid continues to put questions; at column 9184 he asks:

> Then the negotiation of this treaty was practically delegated to the Minister of Public

Works and the Minister of Justice on behalf of Canada, and they are responsible for the treaty being in its present shape.

To which Mr. Pugsley answers:

The whole government is responsible.

So it is abundantly clear that the responsibility for this treaty and for all that is involved with it rests upon the Liberal administration of that day. I do not say that in the sense of endeavouring to make party capital against the Liberal administration, but I do say that any effort that may be made to divert responsibility from that government to the British plenipotentiary who negotiated the treaty must fail in view of the statements made at that time to the House of Commons by Mr. Pugsley, the minister in charge, when he was submitting the treaty to the house for ratification.

Further, it will be found that in the waterways treaty itself there is a distinct reservation of the rights of the United States with respect to the waters in lake Michigan. That treaty dealt with international problems, with international waterways, with international boundaries, and there was a special reservation of the rights of the United States with respect to its own waters, on the one hand, and with respect to Canadian waters that were solely the property of Canada, on the other. The result is that lake Michigan, which is not a boundary water and not an international waterway, as is lake Superior, between the United States and Canada, was, as Mr. Root pointed out in the Senate, specifically reserved in terms from the operation of the treaty, and so it is that by our acceptance of the United States claim under this doctrine of international law, to which Sir Robert Borden objected and to which Sir Allen Aylesworth and Sir Wilfrid Laurier agreed—the claim that they have the sole right through their congress to license the use of the waters from lake Michigan, it not being an international waterway—by our government's acceptance of that doubtful and in my judgment erroneous proposition of international law this country now finds itself in the position in which it is, despite as I have said, the objections made by Sir Robert Borden, Mr. Magrath, Colonel Currie, then member for Simcoe, and others who had given much consideration to the matter. It is in my judgment therefore important that all these documents that touch on the matter, that will in any sense throw light in any way upon the questions involved as to the application of this new principle of international law set up by the United States with Mexico in the first instance, should be laid on the table. The attorney general of the United States set up certain principles of doubtful practice in regard to international law in a dispute with Mexico in respect of the Rio Grande river. The government of the United States endeavoured to assert the same principle against this country with respect to lake Michigan. When Sir Robert Borden protested, the final answer was that "with our rich and powerful neighbour we are practically bound to do as they suggest, and we recognize that they can formulate new principles of international law." Against that proposition in this day and age I protest.

I might refer to something in connection with our own Alaska boundary arbitration, which occurred in the life of the late President Roosevelt—and I say that the Canadian parliament should protest against the application of such a new principle of alleged international law. That is a question which I think this house should thoroughly consider before it permits itself to be further drawn into the acceptance of a principle, set up by one nation only as a sound principle of international law, that has not the support or acceptance of the nations of the world. When Sir Wilfrid Laurier was confronted with the American proposition he said that the United States have always treated us very fairly and decently, and while he might have quoted Vatell on the rights of nations in reference to this matter, he thought it better to deal with it in the manner I have indicated. I submit on these facts that every possible scrap of paper that can have any bearing upon this matter should be laid upon the table so that the House of Commons of Canada may be able to determine whether they are bound to accept a new doctrine of alleged international law, which through ignorance has been forced upon us. We should be in a position to determine whether this country is bound to accept the proposition that the congress of the United States can validly authorize a license to the Chicago sanitary commission to divert 10,000 cubic second-feet of water from lake Michigan regardless of the effect upon the user by Canadians of the international waters of lakes Superior, Ontario and Erie or of the St. Lawrence river.

I think the matter has now reached a point where our position is one of great difficulty. I learned last year that when these hearings were being held, when former Justice Hughes was receiving testimony with respect to the diversion of water by the sanitary district of Chicago and the protests of the states were being heard, a young lawyer was sent from Canada to Chicago to watch the proceedings on behalf of Canada. He went to the hear-

ing, sat there a while, went away, and came back in the afternoon. I submit that the government is not doing its fair duty to the people of Canada in dealing with the matter in this way. I say it in all seriousness, and if we on this side of the house can render any assistance in making the situation clearer and enable the government to uphold the position of our country with more strength than has been done, we shall be glad indeed to do so. I do not regard it as being other than a matter of first rate importance, from the standpoint of our rights, at least to have the level of lakes and rivers which are admittedly international protected from being lowered by the user of water by a country which contends that the whole of the water of lake Michigan belongs to it, that it has the right by authority of congress to divert as much water as it pleases from the lake regardless of the effect upon its neighbour. It is that doctrine that Sir Robert Borden assailed, and I submit it is unfortunately that doctrine that is recognized in the treaty that followed. That false doctrine was asserted in 1909, and finds expression in the treaty of 1911.

That is the position of the matter, and nothing can be said to change the essential facts. I cannot think the government will permit the present situation to be much longer continued.

Mr. STEWART (Edmonton): Is my hon. friend referring to the continuance from 1911?

Mr. BENNETT: Under article 2 and other articles of the treaty it may be fairly inferred that the United States will not permit the waters of lake Michigan to become the subject matter of a treaty, on the grounds that these waters are theirs and theirs only, and that they only have the right to deal with them. They contend that they can use the waters of lake Michigan as they please and that the question whether the waters of other lakes and rivers are thereby lowered is not a matter in which Canada has any concern. It may not, perhaps, be improper to recall the fact that these waterways agreements to which attention has been directed—I have reference to the treaty of 1909—were discussed in the house in that year. The treaty of 1909 you will find as I have said at page 245 and following pages of the statutes of 1911, and the heading reads as follows: "Treaty with the United States relating to boundary waters and questions arising along the boundary between Canada and the United States, signed at Washington, January 11, 1909." The treaty was not ratified in that year; for it will be recalled that when the treaty was in the Senate of the United States one of the senators had certain amendments made to the resolution of ratification, and it was not until 1911 that it was adopted by this parliament. It will be observed that the date on which the act of ratification was assented to is May 19, 1911—chapter 28. At that time certain other negotiations were pending of a trade character between the two countries. You will find in Hansard for that year the protests made by those who voiced opposition to the treaty. But the treaty was ratified by this parliament. We cannot blame England for the bargain that was made; Mr. Pugsley, speaking for the government, stated in parliament that the government of that day was responsible for the treaty, as I have already read to the house. Under those circumstances, facing these facts, I submit we should look at this matter as one in respect to which it might well be said that much water has flowed over the dam. The facts cannot be blinked or overlooked; and it is our duty, by the most careful examination of every scintilla of evidence—not next year or the year following, but now—to protect the rights of the people of this country in the waters of the lakes to which I have alluded in consequence of the diversion of water from lake Michigan.

Mr. STEWART (Edmonton): As a matter of record it would be interesting for the hon. member to tell us where he gets his inference that we are committed to the Chicago drainage scheme, inasmuch as lake Michigan was withdrawn altogether from the treaty of 1909.

Mr. BENNETT: So far as that is concerned, all I can say is to repeat that the United States authorities refused absolutely to bring lake Michigan into the treaty. They contended, by the application of this doctrine of doubtful international law to which I have alluded, that they and they alone had the right to license the diversion of water out of that national lake and that it was none of the business of the people of Canada what happened in consequence. The United States were looking after their affairs and we might look after ours, and in that view apparently we acquiesced. That, briefly, conveys an idea of the attitude they have taken, and if there is any evidence needed to support this statement as to their general view on such matter I would refer hon. gentlemen to the life of the late Theodore Roosevelt by Lord Charnwood, in his reference to the Alaska boundary question. It will be remembered that a commission of six considered the prob-

lem that developed in that connection, and it is interesting to read what Lord Charnwood says. At page 131 we read:

When the new commission was to meet, Roosevelt took a step characteristically drastic and characteristically gentle in manner, to make a miscarriage unlikely—or in other words to prevent any influence that might make the Lord Chief Justice vote wrong. Avoiding the offensiveness of any diplomatic representation, he wrote to a valued American friend of his own and of the British statesmen concerned, and asked to have his real determination made known to them in friendly conversation. It was, he said, only his "very earnest desire to get on well with England" which had made him consent to this second commission. If it failed, he should take measures which would make arbitration quite impossible, and use the troops (which in fact he had sent to Alaska to keep order) to "run the line as we desire it, without any further regard to the attitude of England and Canada. . . If," he said, "I paid regard to mere abstract right, that is the position that I ought to take anyhow; I have not taken it, because I wish to exhaust every effort to have the affair settled peacefully and with due regard to England's dignity." This step of his was of course not publicly known till long afterward.

Lord Charnwood expresses the opinion that President Roosevelt was justified in making his views known to the British foreign Secretary. English authorities declare that the Lord Chief Justice was not advised of the message. Be that as it may, we have here a doubtful doctrine of international law apparently assented to by the Canadian government of the day in 1911, for the very same reasons, I suppose, which Lord Charnwood discloses as having actuated Mr. Roosevelt. The time has come, surely, when we should stand by the principles of international law and insist upon their being observed between nations. We talk glibly about the peaceful relations that exist to-day, but the real situation is as has been fully disclosed to-night. And this is why the question is brought to the attention of the house at this time. We should no longer permit the matter to drag from day to day and, by acquiescence, have it inferred that we have agreed to the contention made by our powerful neighbour. Might and power are not to be the determining factors where our rights are at stake. No one nation, however rich and powerful it may be, has the right to take the attitude that international law consists in the extent to which it is able by force to carry its will into effect. I submit, therefore, that every scrap of evidence bearing on the matter should be laid upon the table at the earliest possible moment, in order that the house may consider the facts affecting the rights of Canadians who use these lakes, which rights have been impaired by the license granted by the United States Secretary of War, under authority of an act of congress. These rights I trust we have not lost, and for that reason the present motion should be adopted.

[Mr. Bennett.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): To the purposes of the motion as set forth in its text, no exception whatever can be taken. I agree entirely with the mover of the resolution (Mr. Cahan), and as well with the leader of the opposition (Mr. Bennett), that it is wholly in the interests of parliament to have before it all the documents that have any bearing on the question of the diversion of water at Chicago, and the government will be only too ready to see that documents not already in the possession of the members of this house, if there be such, shall be laid on the table in accordance with the request made by this order. I am inclined to think that all the documents mentioned in the motion are already in the possession of such hon. members as are interested in the question. Indeed, they must be more or less of a public character or my hon. friend could not have made the references to them that he has done in his speech to-night. Let me say further that I am in entire accord with the leader of the opposition when he says, with his great skill, that, if there is a doubtful principle of international law being enunciated by the United States, strong exception should be taken to it by this parliament and by the people of Canada. On behalf of the government I desire to join with him in opposing any principle of international law which is not fully recognised in British practice and procedure.

Mr. BENNETT: International practice.

Mr. MACKENZIE KING: It does appear to me, listening to the discussion this evening, that hon. gentlemen opposite have had in mind some purpose other than that of merely procuring the documents requested in the motion with an object of strengthening the position of Canada in a matter of international negotiation. Perhaps I might present the matter in this wise: If there is a weak spot in Canada's contention—a weak spot arising out of negotiations that took place some twenty years ago—is this the time to expose that spot, seeing that we are now seeking to effect a satisfactory adjustment of the differences that call for settlement? If there is a weak spot in Canada's case with respect to the diversion of water at Chicago, is this the place to furnish arguments to those in the United States who are doing their utmost to defeat Canada's contention in this matter?

Mr. BENNETT: What I said was that in the United States press these arguments were set forth. In this building yesterday I saw a magazine, published by a gentleman named Bede, I think, which contained all the essential facts that have been advanced.

Mr. MACKENZIE KING: Yes, and in the press of the United States to-morrow all the arguments that are presented by hon. gentlemen here to-night will be cited against Canada as the opinion of the Conservative party in this country in a matter of serious international negotiations now pending. That is the objection I take to the present discussion. I do not take exception to the motion which my hon friend opposite has moved, but to the argument he has presented to the house and in which he has been supported by his hon. leader—an argument which, I am sure, everyone in the United States interested in maintaining the diversion at Chicago will be only too ready to quote sentence by sentence, paragraph by paragraph, to its conclusion.

There is one other remark on the part of my hon. friend to which I must take exception. The leader of the opposition alluded to a possible accusation of the British government touching the negotiations of 1909-11. I would ask my hon. friend this question: Has he heard anyone make a concrete or specific reference to any dereliction of duty on the part of British negotiators respecting the question of a diversion of water at Chicago? I have never heard any suggestion of that nature, at least from this side.

Mr. BENNETT: I did not say in this house. It has been freely alleged, however, that this is another of the British treaties in the category of the Alaskan award.

Mr. MACKENZIE KING: I do not agree with my hon. friend, and I doubt very much whether he can cite any reputable authority as the source of that allegation.

Mr. BENNETT: I have heard it frequently.

Mr MACKENZIE KING: I gathered from the remarks of my hon. friend that in his opinion, in reference to another matter of international negotiation, namely, the Alaskan award, which he has just mentioned, there was room for criticism of the management of that arbitration on the part at least of one who was acting at the instance of the British government.

Mr. BENNETT: That is denied.

Mr. MACKENZIE KING: But my hon. friend's remarks to-night and the quotations which he gave left ample room for an inference such as I am drawing at the moment as to what was in his mind at the time.

May I say, Mr. Speaker, with respect to the position of Canada in protesting and presenting argument against the diversion at Chicago, that the Canadian position has been strongly maintained by the present government ever since it came into office. It has been mentioned by other speakers to-night that for every interest affected on this side of the international boundary corresponding interests have been affected on the other side. My hon. friend from South Toronto (Mr. Geary) gave a list of great communities on the United States side that were adversely affected by the diversion of water at Chicago, and he made it apparent to the house that so far as influence and power go, if they are to be judged by the number of persons affected and the size of the communities, the communities in the United States adversely affected by the Chicago diversion are larger in number and probably have larger interests at stake than have the communities on this side. If that is the case, is it not clear to everyone that in relation to the United States government in the states bordering along the international waters the states and interests affected in the United States are themselves doing all that possibly can be done to see that their interests, which are similar to ours, are duly and fully protected. I ask the house, if a like situation presented itself in Canada, and the people of Ontario and Quebec were doing their utmost with the federal government here to maintain their position, would hon. members think the position of those two provinces would be materially improved if the United States forced its way into the situation, other than by supporting in the strongest possible degree what was being done by others similarly affected in this country?

Mr. CLARK: Is that the reason why this government has done nothing?

Mr. MACKENZIE KING: I would say to my hon. friend that comment of that character is not argument.

Mr. CLARK: I am asking the question.

Mr. MACKENZIE KING: It is not even a question. If my hon. friend had been asking a question I should have been pleased to answer it. It is comment of a character that has no application whatever, because earlier in the course—

Mr. CLARK: Has the Prime Minister any evidence to offer that anything has been done?

Mr. MACKENZIE KING: I said to my hon. friend—and he was looking at me when I made the remark—

Mr. CLARK: I heard it.

Mr. MACKENZIE KING: The fact that he heard it will convince him that his question is utterly futile, and nothing but an interruption.

Mr. CLARK: I did not wish to interrupt the Prime Minister. I think there is a doubt in the minds of the people of the country that the government has done anything, and I am asking if the Prime Minister has any evidence to offer us that anything has been done.

Mr. MACKENZIE KING: If I say to my hon. friend that the government has evidence, will he accept my word for it? I will ask him to answer that question. Now, I should like to tell him that the government has evidence, documentary evidence, which will be produced at the right time and in the right place. The government has not been negligent or indifferent or apathetic in this matter. We recognize that it is a great problem which affects the interests of Canada as a whole, and we have been watching closely and carefully the interests of the Dominion in our representations to the United States authorities.

There is nothing further, Mr. Speaker, that need be said at this moment. If the government declines to follow the example of hon. gentlemen opposite in trying to develop argument that cannot fail to serve the purpose of those by whom we are being opposed in delicate negotiations which are being carried on at the present moment, it is only because we feel that such a course is not only prejudicial but—may I add—in the existing circumstances unpatriotic.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I ask the right to close the debate if no one else wishes to intervene.

Mr. SPEAKER: If any other hon. members wish to speak now is their opportunity.

Mr. CAHAN: I simply wish to suggest to the Prime Minister (Mr. Mackenzie King) that when he alleges indirect or wicked motives on the part of those on this side who have asked for these papers, his argument is entirely beside the mark. The main documents to which I made reference this evening are in evidence in the suit in Washington. The Prime Minister also says they are in the records of this government. I have found some of them here, and to that extent have verified the claim that authentic copies were produced in evidence in the United States. When an ex-Secretary of State and an ex-judge of the supreme court refers to these documents which I have quoted to-night, I say it is utterly useless for the Prime Minister or the government of this country to play the ostrich trick of burying their heads in the sand and accusing others who call them to wakefulness in the performance of their public duty of being unpatriotic. It is futile for the Prime Minister to suggest that we should not discuss a matter of great public interest such as this for fear that we would make known to the authorities of the United States documents which they have in hand, documents which are well known to their officials, and documents which they themselves, within the past few months, have put into evidence in one of the most important suits ever carried on in the United States. It is the patriotic duty not only of the members on this side of the house, but of the parliament of Canada to investigate and ascertain what grounds there are available to support our contention; and if our grounds are not valid and solid, if they are not tenable, for goodness sake let us cease bluffing with the United States, let us cease presenting to them childish arguments which they know to be futile and contrary to the evidence which they have in their own possession. Let us deal with the matter frankly. There is nothing unpatriotic on our part. I brought this matter up because the press of the city which I have the honour to represent has for a number of years referred to this Chicago diversion as a water "steal"; because every ship that comes into the harbour of Montreal loses from $1,000 to $5,000 per trip due to the lowering of the levels of the water in the harbour; because an engineer of the harbour commission of Montreal—which has always received the high approval of the Prime Minister and his colleagues—has alleged in a recent report that some $25,000,000 a year is lost to the commerce and shipping and trade of Montreal by reason of the lowering of the levels of the great lakes by the Chicago drainage canal. Therefore it is a matter of public interest that should be discussed, especially when we are to be asked during the present session to vote a million dollars to deepen the channel below Montreal—a channel the depth of which has been decreased by this diversion at Chicago of which we complain.

All I ask of the Prime Minister is that he shall credit us with having as patriotic motives as those which, I am sure, he has himself. If I have presented the case to-night with some

ardour, let me say that I was not presenting my own point of view, I was not attempting to make an argument for the United States, but I was attempting in fair, clear, impartial language to present to this house the case which the United States are making, and the case which so far is alleged to have been established in the proceedings which are now pending at Washington between twelve states as complainants against the Chicago sanitary district and the state of Illinois.

Motion (Mr. Cahan) agreed to.

UNEMPLOYMENT, SICKNESS AND INVALIDITY INSURANCE

Mr. A. A. HEAPS (North Winnipeg) moved:

That, in the opinion of this house, the committee on industrial and international relations be authorized to investigate and report on insurance against unemployment, sickness and invalidity.

He said: Mr. Speaker, last year I introduced a motion almost identical with the present resolution, and was extremely pleased with the very hearty support which it received from members in all parts of the house. However, on account of the fact that it was brought up on a Wednesday afternoon there was no opportunity of dividing the house, with the result that a determination of the question was postponed and I had to place the motion on the order paper once more this year.

This particular matter is not by any means new. It has been debated in this house on several occasions, and it has also been discussed by several of the provincial legislatures. In the platform of the Liberal party of 1919 one finds a reference to this very important question. I was also glad to note that in the platform of the Conservative convention at Winnipeg in October a reference, although indirect it is true, was made to legislation of this particular character. In view of these facts I do not see that there can be very much objection to referring this question to a committee for consideration and report. The grounds for such a reference are strengthened by the fact that not only have the members of this house discussed this question, but many of them have expressed their approval of the principle involved.

It may be argued that this matter is not entirely a federal one. I do not think there are many hon. members here who will claim that unemployment, and all the problems connected therewith, are matters of purely municipal or provincial concern. The unemployment question is a problem which affects the Dominion as a whole, and I believe it should be dealt with by the federal parliament. In 1919 this house appointed a royal commission to investigate the unemployment question. That commission reported favourably in regard to the questions of unemployment, health, sickness and invalidity insurance. In 1921, and also in several subsequent years—I am giving these facts in order to show to hon. members that the federal parliament in the past has assumed certain obligations and also a certain responsibility in regard to this question—the Dominion house gave relief to the provincial governments so as to alleviate the unemployment condition in several parts of the country. In 1924 the government of that day summoned a Dominion-wide conference in order to discuss the question of unemployment, thereby recognizing the fact that the problem was a Dominion one and not purely provincial or municipal in its character. I do not claim that we can cure unemployment under existing social conditions. I believe that unemployment is inherent in our modern system of capitalism, I do not believe we can get rid of it, but that does not mean that because unemployment is inherent in our economic structure we should not take steps to relieve unemployment and, as far as we can, alleviate the evils attendant upon it.

In looking into this question I find great difficulty in getting accurate information as to the exact amount of unemployment prevalent in this country. There is very little reliable data that is available to the people to show the exact extent to which unemployment exists. A commission appointed by the Ontario government conducted an investigation and reported as a result of that inquiry that unemployment in Ontario amounted to about 14 per cent, whilst an authority on economic problems at Toronto university expressed the opinion that unemployment approximated about 4½ per cent in the month of October when employment was supposed to be at the very highest. This demonstrates that unemployment is permanent in Canada, and I believe that parliament would be remiss in its duty if it did not take some action towards alleviating these conditions.

As to the causes of unemployment it has been said that certain parties in this house advocate a policy which will provide a solution for the problem. Certain hon. members to my left set up the claim that if we had greater protection there would be less unemployment. I do not take that view; I do not believe that protection in itself is a cure for unemployment. It may increase the volume of employment in a certain district, but that does

not mean to say that it would bring about a decrease in the volume of unemployment generally. It may mean that more men would be employed in connection with certain industries in certain particular localities, but the volume of unemployment would remain about the same.

In this connection may I be permitted to read a statement that was made in the other house by Senator Robertson, during a discussion which took place there on March 23, 1927. The hon. senator on the occasion referred to spoke as follows:

I was astonished the other day to find the real situation is, and I will quote just a paragraph. The manufacturing industries of Canada in 1924 employed 516,177 persons—only 974 more than were engaged in those industries in 1910. But the capital employed in 1924 was $3,380,000,000 compared with $1,247,000,000 in 1910. That is, the capital invested in manufacturing industries in Canada increased 183 per cent in that period of fourteen years, while the number of employees or man-power necessary to handle that greatly enhanced production and value, increased one-sixth of 1 per cent.

The working people of our country find themselves in this position, with the advance of science, the improvement of machinery, and the large mechanical production of the present day. So great every year is the rush and struggle and competition between the hundreds of thousands of workmen looking for employment, that the old man finds himself shoved aside, and when a man gets beyond fifty years of age in Canada, unless he has a trade or is skilled in some particular line, he finds it difficult to get a living.

There we have one statement from a senator who has made probably a little study of that particular problem. I want now to come down to figures which perhaps might help to give an illustration of existing conditions in industry, and why the unemployment problem is with us and likely to stay with us. In the year 1917—and I am going to ask permission to allow this record to go on Hansard, it is taken from the Canada Year Book—there were employed in industry 552,968 people. In 1924 we find the number of persons employed in industry was 432,273, or a reduction of approximately 120,000. In the same period the gross amount of wages paid was about the same in 1917 as 1924, showing that although the number of persons employed in industry was less in 1924—the latest year, by the way, in which figures are available—there is only a slight increase in wages to persons employed in industry. Taking wages in 1917 as 100, wages have risen to 111.4. The statement is as follows:

Average Yearly Earnings and Real Wages of Wage-earners in Manufacturing Industries, 1917–1924.

Years	Amount of wages paid	Average number wage earners	Average yearly earnings	Index numbers		
				Average yearly earnings	Retail prices	Real value of average yearly earnings
	$	No.	$			
1917	420,094,869	552,968	760	100·0	100·0	100·0
1918	480,949,599	547,599	878	115·5	113·7	101·6
1919	496,570,995	529,327	938	123·4	122·2	101·0
1920	583,853,225	526,571	1,109	145·9	142·8	102·2
1921	381,910,145	381,203	1,102	131·8	125·1	105·4
1922	374,212,141	398,390	939	123·6	115·7	106·8
1923	428,731,347	446,994	959	126·1	116·7	108·1
1924	420,269,406	432,273	972	127·9	114·7	111·4

I want to point out another very interesting and important factor which is bound to have some bearing upon this question. I am also going to ask permission to have this tabulation placed on Hansard, as it is so closely related to the one to which I have just referred. In 1917 the amount of manufacturing production was $2,873,000,000 and in 1924, $2,695,000,000. But if we are to take the value of the production in those periods we find that in one case, taking the production for 1917 as 100, the production had actually increased to 104.65. The tabulation is as follows:

Volume of manufacturing production 1917-1924

Years	Values		Prices		
	Gross value manufacturing production	Percentage relative to 1917	Index No. prices of manufactured commodities	Percentage relative to 1917	Index No. volume of manufacturing production
	$				
1917	2,873,268,183	100·00	175·5	100·00	100·00
1918	3,289,764,146	114·49	196·9	112·19	102·05
1919	3,290,500,585	114·52	204·4	116·46	98·33
1920	3,772,250,057	131·28	242·0	137·89	95·20
1921	2,576,037,029	89·65	180·0	102·56	87·41
1922	2,482,209,130	86·38	155·0	88·31	97·81
1923	2,781,165,514	96·79	159·1	90·65	106·77
1924	2,695,053,582	93·80	157·3	89·63	104·65

We also find, using another tabulation which I would ask permission to put on Hansard, that in 1917—

Mr. KAISER: Whose permission does the hon. member ask for putting these statements on Hansard?

Mr. HEAPS: The very same permission that other hon. members ask.

Mr. KAISER: I have been refused.

Mr. HEAPS: I am sorry the hon. member was so unfortunate.

Mr. KAISER: The excuse made was that this costs a good deal of money. If in these forty minute speeches we can ask permission to load up Hansard with statements, I should like to have known that before I made my speech.

Mr. MACKENZIE KING: My hon. friend is quite correct. Last year he endeavoured to load up Hansard with a lot of figures that he did not read to the house and we on the government side took strong exception to that procedure. If my hon. friend is endeavouring to put on Hansard something which is part of a speech which he ought to deliver, he should be prevented by the Speaker from so doing.

Mr. HEAPS: Do I understand that the Prime Minister wishes me to read these figures?

Mr. MACKENZIE KING: I think my hon. friend should do so.

Mr. HEAPS: I am quite prepared to read them, but I think conditions this year are so totally different from those of last year that objection ought not to be taken. Seeing that last year hon. members had unlimited time in which they could state their case to the house while this year they are restricted to forty minutes, I believe a little more latitude might be allowed in regard to figures.

Mr. MACKENZIE KING: I hope my hon. friend will not misunderstand my intention. I am endeavouring simply to uphold the rules of the house as laid down by itself.

Mr. HEAPS: I am just as anxious as the Prime Minister is to uphold the rules. I was not very anxious to proceed to-night, and I would not have discussed the matter, if I had received the assurance of the house that it would go to committee without discussion. Hon. members will understand it is very easy for other hon. members who are opposed to this resolution to speak until eleven o'clock and then the whole matter would lie over until next year.

Mr. MACKENZIE KING: As the rule now stands, this resolution becomes the first order the next time these motions are taken up.

Mr. HEAPS: Provided that I speak until eleven o'clock.

Mr. MACKENZIE KING: The hon. member can go on again to-morrow and complete his forty minutes.

Mr. HEAPS: I do not know whether I quite agree with the Prime Minister. I will read these figures now so as to comply with the request of the Prime Minister, and I presume, of course, that as no objection was taken to the other two tabulations which I submitted, they will go on Hansard. In this tabulation I am going to give just a few figures. Taking 1917 again as 100 and comparing it with 1924, efficiency in production has increased from 100 to 128. That is, while I have shown in the other tabulations that the amount of wages paid out of industry

to those engaged in industry was about stationary in the period from 1917 to 1924, efficiency in production has increased in the same period from 100 to 128. There has been that greatly increased efficiency without a corresponding increase in wages in that period. I am not going to read this table as I have other matters to deal with and I will not ask to put it on Hansard.

I wish now to make a few references to the question of unemployment and sickness insurance for the benefit of those members who may feel inclined to oppose the proposals. I know there are some hon. members who often refer to this question as the handing out of a dole to men and women who happen to be so unfortunate as to be out of work. If I know anything it is the fact that the average working man or working woman hates to accept something for nothing. They would much prefer to be able to safeguard themselves against the eventuality of unemployment or sickness. Consequently we find to-day in different parts of the world various schemes of insurance against these contingencies. Perhaps nothing creates greater uncertainty and worry to the workers of any country than the fact that they may any day be cut off from employment. The worry in regard to sickness also creates a feeling of uncertainty.

In 1911 Great Britain adopted a policy of unemployment insurance. At that time the number of people coming under the provisions of the act were rather limited; but as the years went on, and as the provisions of the act became more widely known, the numbers coming under the act became greater, and from a comparatively few in the first years of the operation of the act there are in Great Britain more than fifteen million inhabitants who at the present time come under various forms of state insurance. They have insurance against unemployment, sickness and invalidity, and there is also a contributory system of old age pensions. The contributory system applies only to persons between the ages of sixty-five and seventy. All persons over the age of seventy come under the scheme as it was prior to the latest act coming into operation. In order to give the house some idea of the magnitude of the scheme they have in Great Britain, I want to read one section of the Blanesburgh report dealing with the amount of money involved. It states that the total sum paid into the fund from the beginning of unemployment insurance in 1912 to the first of July, 1926, was £212,775,000. The amount paid by the national exchequer in this period was £70,454,000. For the year 1925-26 the exchequer contributed £13,002,000 and the employers and workers jointly contributed £33,867,000. This goes to show, Mr. Speaker, that there is nothing in the nature of a dole given to these people who are the recipients of unemployment relief in Great Britain. They are receiving payments on exactly the same basis as a person who insures his life, or insures his property against fire risks. The man who pays for fire insurance, if he is so unfortunate—sometimes fortunate—as to have a fire, when he receives his insurance he does not regard himself and is not looked upon as one who is receiving a dole. He has insured himself against that particular risk, and he feels entitled to the money he receives.

In Great Britain the worker and the employer make a joint contribution, and the state also makes a contribution to the fund. It is worked out on an actuarial basis. The state assists with the scheme for the simple reason that they believe that the state receives some equivalent benefit when the men and women who are out of work receive a certain weekly allowance, and also because the state, in addition to the employer and the employee, has also a certain degree of responsibility. Consequently I should like to see established in this country a system something along the lines of that established in Great Britain. However, I know that we are confronted here with a greater difficulty perhaps in regard to administration than they have in the old country, because there they have one central authority which can act for the whole country, whereas in this country we are blessed with nine states and a sort of a superstate represented by the federal government. I know that the provincial authorities are jealous of their particular spheres of legislation, and they may take some objection to the Dominion government assuming the whole cost. I cannot say as to that, but in my opinion, Mr. Speaker, a scheme of this character would perhaps require four parties to the agreement. In the first place I believe the federal authorities should assume a certain responsibility; the provincial governments should assume a certain share of responsibility; the men and the women employed in industry will have to assume a certain portion of the cost; and industry itself will also have to assume its share. I believe that among these four different bodies a scheme could and ought to be worked out that would give to the men and women who find themselves out of employment, or sick, or in some other way unable to work, something to tide them over that difficult period.

It might be argued, and I believe some hon. members will maintain, that with such a scheme in force there would be some who would prefer to remain out of work rather than seek employment, but I do not think that during the whole time the act has been in force in Great Britain there has been anything shown to substantiate such an impression. The commission that investigated this whole matter in 1926 made a very thorough investigation into several cases that had been submitted to them, and they found that these charges were almost entirely unfounded, and that taking it on the whole the act had worked fairly well, that it had been a good thing for the state, a good thing for the employer, and a good thing for the men and women who happened to find themselves out of work.

I notice, Mr. Speaker, that in the year 1919 the Dominion government were represented at the Washington conference which dealt with labour legislation, and that Canada became a signatory to that treaty. Not only that but at that conference at Washington, at which, as I say, Canada had a representative, there was passed a resolution dealing with this question, to which evidently the representative of this country agreed. This was the motion that was agreed to arising out of section 13 of the Treaty of Versailles:

> This joint conference recommends that each member of the international labour organization establish a system of unemployment insurance either through a government system or through a system of government subventions to associations whose rules provide for the payment of benefits to their unemployed members.

The Canadian government agreed to this very principle in 1919, and after agreeing to the principle I do not think I should be asking too much if I asked the government and the house to agree to the principle in 1928. But what I am asking at the moment is that this resolution be sent to the committee, where it may have a thorough investigation and where we may hear the evidence of men and women in this country who have given long and continuous study to this particular question. I hope that that committee will arrive at some conclusion whereby we may be able to establish in this country a scheme such as has been established in almost every other country in the world. It is quite true, Mr. Speaker, that the country to the south of us has not got very much in the way of unemployment insurance or sickness and invalidity insurance, but that is no reason why we should not have such legislation in this Dominion. We have heard some very uncomplimentary references here this evening to the methods adopted by our neighbours to the south. I am not going to make any uncomplimentary references to what they may do on the other side of the line. In the matter of legislation and in our method of dealing with the social problems of our people, I would far rather we looked to Great Britain for an example than to the United States, and I would far rather we followed the British precedent than any precedent that may be set up on the other side of the line.

Mr. SPEAKER: It being eleven o'clock—

Mr. HEAPS: Do I understand, Mr. Speaker—

Mr. SPEAKER: If the hon. gentleman has not finished, the resolution will retain its place on the order paper.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, February 17, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Interim report of special committee on pensions and returned soldiers' problems.—Mr. Power.

CUSTOMS TARIFF SCHEDULE

On the orders of the day:

Mr. J. T. THORSON (Winnipeg South Centre): With reference to the schedule to the customs tariff, referred to by the Minister of Finance in his budget speech yesterday, and with a view to facilitating a study of the tariff changes which have been proposed, I desire to ask the Minister of Finance if he would be good enough to prepare and place on Hansard a comparative table showing the old rates and the proposed new rates where changes have been made.

Hon. J. A. ROBB (Minister of Finance): I may tell my hon. friend that the officers of the department are now preparing a complete statement such as he requests for the use of the minister in committee. I imagine it is almost complete now, and just as soon as it is finished I will be glad to lay it on the table in order that it may be inserted in Hansard.

DEPARTMENT OF THE INTERIOR

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I would like to ask the Minister of the Interior (Mr. Stewart) whether Mr.

Alexander Smith, K.C., has prepared a report upon the matters he was investigating in connection with the Department of the Interior, and if so, whether the report will be laid upon the table at an early date.

Hon. CHARLES STEWART (Minister of the Interior): My information is that the report is almost complete. I cannot say exactly when it will be finished, but as soon as it is ready I will lay it on the table.

CIVIL SERVICE COMMISSION

RECLASSIFICATION OF LETTER CARRIERS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Postmaster General if he has received from the Civil Service Commission any information with regard to the proposed reclassification of the letter carriers, and if so, if he will lay it on the table.

Hon. P. J. VENIOT (Postmaster General): That matter is now before the Civil Service Commission and is receiving their attention. There has been no reclassification made as yet.

RESTIGOUCHE RIVER—SMELT SEASON

On the orders of the day:

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Yesterday in my absence from the house the hon. member for Royal (Mr. Jones) referred to the situation with regard to the smelt fishing season, particularly on the Restigouche river. I may tell my hon. friend that no extension of the smelt fishing season has been granted this year in Quebec or any other province. Of course the fisheries of the province of Quebec are administered by the provincial authorities, but the granting of an extension of any season is within the power of the federal government. We have not granted any such extension, and if any fishing is being carried on beyond the limits of the season it is being done illegally. At all events, we are making inquiries of the provincial government with regard to the real situation, and we will see if the officials are keeping on the job.

TRADE MARK AND DESIGN ACT

On the order:

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, with the unanimous consent of the house I would move that Bill No. 8 to amend the Trade Mark and Design Act be referred back to the committee of the whole.

[Mr. Bennett.]

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

On section 1—Minister may refuse to register trade mark in certain cases.

Mr. RINFRET: This section sets forth two additional reasons why the minister may refuse to register any trade mark or union label. The object, as I explained when the bill was before the committee previously, is to bring our act into line with the decisions made at The Hague conference, where it was decided that we should not grant trade marks which constituted a reproduction or imitation liable to create confusion with the trade mark of another unionist country. In subsection (f) the following words appear:

—with a trade mark known to be the mark of a national of another country —

It has been represented to me that it would be better to have that more clearly defined, and that we should adopt the exact wording of the decision arrived at at The Hague. I therefore move that the words "known to be" be struck out and that there be substituted therefore the words "which is considered by the competent authority to be well known in Canada as".

Mr. BENNETT: I am inclined to think that perhaps the sense of The Hague convention would be better met by specifying the competent authority in this country. The words "competent authority" were used at The Hague in order to meet the requirements of all nations, but as each nation has its competent authority designated by statute, might it not be better to express in our act the name of the competent authority, which in this case I believe is a judge of the exchequer court.

Mr. RINFRET: Our competent authority under that section would be the commissioner.

Mr. BENNETT: Yes, subject to appeal.

The CHAIRMAN: Shall the amendment carry?

Mr. BENNETT: If the minister will look at subsection (f) he will observe this wording:

If the trade mark constitutes a reproduction or imitation liable to create confusion with a trade mark known to be the mark of a national of another country which by treaty—

And so on. Now in article 6 of The Hague convention the words used are, "a trade mark considered by the competent authority of the country of registration to be well known" and so on. If we use the words suggested in the amendment I think it may be open to much confusion, and it might therefore be desirable to adopt the expression "known or

established to the satisfaction of the commissioner to be the mark of a national of another country" or something of that sort. I think if you leave the matter in the terms in which you now have it the law may become very much confused. Has the minister considered the question of designating a competent authority?

Mr. RINFRET: My object was to reproduce the exact wording of the article adopted at the convention. But there is a point in the argument made by my hon. friend, and perhaps we could meet the wishes of the interested parties and at the same time cover the point completely by adopting a somewhat different phraseology. Perhaps we might insert the words "which is considered by the commissioner to be well known in Canada as"—

Mr. BENNETT: I suggest that it might be well to designate the "competent authority" in the statute itself.

Mr. RINFRET: I move to insert the words:

"which is considered by the commissioner to be well known in Canada as"—

Mr. CHAPLIN: I should like to inquire from the minister whether, in the event of one of our own nationals applying for a trade mark, the commissioner must first of all search the records of other countries to see whether there is any interference with other trade marks.

Mr. RINFRET: Perhaps the chairman will read the proposed amendment again.

The CHAIRMAN: The amendment is to strike out the words "known to be" in the tenth line and insert the words "which is considered by the commissioner to be well known in Canada as."

Mr. BENNETT: I think that will meet the case.

Amendment agreed to.

Section as amended agreed to.

On section 4—Procedure as to cancellation.

Mr. RINFRET: I would ask the chairman kindly to refer now to section 4. We have the same situation there in the twenty-fifth line where provision is made for the institution of proceedings before the exchequer court. The section uses the expression "trade mark known to be the mark of a national of another country" and so on. I do not think the amendment should make reference to a "competent authority" at all, because the court becomes the sole judge. I wish to have the section perfectly clear, and at the same time to meet the desire of the hon. member for Lincoln (Mr. Chaplin) that the trade mark should be known in Canada. Therefore I will move that we strike out the words "known to be" and insert the words "well known in Canada as."

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Johnston in the chair.

Agriculture—for experiments in dehydration of fruits and vegetables, $10,000.

Hon. W. R. MOTHERWELL (Minister of Agriculture): When this estimate was before the committee a few days ago we were asked to let it stand. The committee will remember that I explained that the committee on dehydration had not been able to meet owing to the fact that three of its five members were absent from Canada. They convened only the day before yesterday. At that meeting they made a complete recommendation as to how this $10,000 could, in their estimation, be expended to the best advantage. Perhaps it would save time if I read their report:

Proposed Activities of Dehydration Committee 1928-1929

In the province of Nova Scotia, it is proposed at the experimental station, Kentville, there be installed a small dehydrator of cabinet type, to be used for research work in dehydration. Although this installation is for experimental purposes, yet it will have a capacity up to one and a half tons of apples per day, hence it is semi-commercial. Dehydration work with apples will be done this year, and a complete study of varieties commonly grown as to their suitability will be undertaken, and demonstration work with regard to the importance of grading of fruit previous to dehydration, and the grading of the dehydrated product. This plant will cost approximately $2,000 and the material and labour $3,000.

In the province of British Columbia the three-unit plant formerly operated at Penticton will be installed at the station at Summerland. This plant will be operated this year on apricots and prunes which will be available in the orchards in the Penticton and Summerland areas. The great importance of production of suitable varieties; the proper ripening of prunes preparatory to dehydration justifies the planting of a ten acre orchard at Summerland for further complete study and demonstration work as to profitable prune production for dehydration. The importance of apricot dehydration is illustrated by the fact that our importations into Canada are still great. Dehydration in Canada has not been started yet. The planting of young orchards is such that within five years there will be a large surplus of apricots not

required for the fresh fruit trade which of necessity will be dehydrated, thus replacing present importations.

In addition to the above, at Agassiz there will be conducted dehydration work in connection with loganberries. The cost of the work in British Columbia will be distributed about as follows:

Planting of demonstration prune and apricot orchards	$1,200
Dehydration operations in apricots and prunes	3,000
Dehydration operations in loganberries	800

We received information only yesterday from the government of British Columbia in reply to a communication of ours of about three weeks ago inquiring whether we could lease a five-acre plot of ground in the Oliver district for the purpose of planting this apricot orchard. The British Columbia government wired us that they would be pleased to lease us, at a nominal rental, five acres in that district for this purpose. The same kind of experimentation will be conducted at the Summerland experimental station with the idea of developing the best variety of fruit and ascertaining the stage of development at which it will dehydrate to the best advantage.

With regard to the situation in the maritime provinces, it will be recalled that in the absence of any such program as I have just outlined my sympathies were rather disposed to favour the improvement of the commercial plant in Annapolis valley. Neither Dr. Grisdale nor I was able to give on the last occasion the name of the owner of that plant; it turns out that the establishment belongs to the United Fruit Growers. Inasmuch as neither of us had ever dealt with that case we were not in a position to give the name from memory. We have also learned that these growers have recovered very largely from their early disappointment and their plant is now in fairly good shape. Nevertheless they have not yet got into their stride, and the same applies to two other plants in the Annapolis valley. Consequently we have decided to set up a $5,000 dehydrating plant at Kentville for the purpose of testing out and demonstrating the best varieties of fruit for dehydration.

There is a tendency to use any kind of fruit for dehydration; anything that is unsuitable for the fresh fruit trade, it is considered, is good enough for the dehydration plant. That is a fallacy; it will not work. It has been found many times that you cannot convert poor fresh fruit into a good dehydrated product. A reasonable standard of quality must be maintained in the raw fruit if the converted commodity is to be of good quality. Size, quality and many other factors in relation to dehydration will be investigated at the Kentville station along the same lines as have been pursued in the Kelowna valley during the past four years. I have a report, copies of which may be obtained on application, of the work that has been carried on during the four years that this vote has appeared in the estimates, the present being the fifth occasion on which the grant is being made. It might curtail the discussion somewhat if I read this report, which is quite interesting. Here are the conclusions:

The results of these investigations might be briefly summarized as follows:

(1) It is impossible for a dehydrator to make a good product from low-grade fresh fruit.

As will be noted from the passage I have quoted, it is essential that a reasonably good raw fruit be used if a good product is to be obtained.

(2) The hope for permanency and prosperity in the Canadian dried-fruit industry lies in creating a greater confidence therein by both the domestic and foreign trade, and by emphasizing high quality. This can be done perhaps more effectively through dehydraters than through the evaporators. A reduction in costs is equally important. The dehydrater, once established, can operate at a lower cost per ton of dried fruit than the evaporator.

The hon. member for Victoria (Mr. Tolmie) brought up this matter last year when he inquired as to the relative cost of dehydration and evaporation. The conclusion arrived at after four years of investigation is that the dehydrating plant once established can operate at a lower cost per ton than the evaporator, and, of course, the product is much more acceptable to the purchasing public.

3. The fruit-growers themselves must carefully consider the matter of their plantations in relationship to dehydration. It is impossible to expect a trade to be developed on an insecure supply of a large number of varieties. Hence, our fruit plantations must be somewhat remodelled with that end in view.

The trouble in the past has been that a good many people have looked upon dehydrated fruit as a by-product, something that has been made fairly presentable from a poor raw material. That idea is altogether erroneous. The conclusion in this regard is this:

(4) Dehydrated fruit must be considered a fruit product and not a mere by-product.

(5) It would be wise for those considering plantations for dehydration purposes to consider carefully the relationship between the dried-fruit industry and other phases of the fruit industry. Often the dehydration plant should

either be operated under the same company, or in close co-operation with the fresh-fruit warehouses, the canning plants, cider plants, cider and fruit-juice plants, jam, jelly, and marmalade plants.

That is obvious. The cost of administration would be reduced if all the operating units were centralized.

(6) There still remains considerable work to be done thoroughly to classify the suitability of uniformly good grades of the different varieties of our various fruits and vegetables.

The foregoing are the conclusions arrived at in this report covering the experimental work carried on over the last four years.

Mr. CHAPLIN: Why is it necessary to grow apricots in British Columbia when, as the minister says, in three or four years' time there will be far more apricots in the district than there will be a market for? Why do we need to grow more?

Mr. MOTHERWELL: Some varieties will dehydrate better than others and the department is leasing five acres from the provincial government, very much to their satisfaction, for the purpose of testing these varieties.

Mr. CHAPLIN: How long will it take to produce fruit if you plant to-day?

Mr. MOTHERWELL: The sooner you begin the sooner you get fruit.

Mr. CHAPLIN: That is self-evident, but it does not tell us how long it takes to produce apricots.

Mr. MOTHERWELL: Five or six years.

Mr. CHAPLIN: That is to say, it will be six years before you make the tests and you are putting in your dehydrating plant now?

Mr. MOTHERWELL: There were orchards planted immediately after the war and they are bearing now.

Mr. CHAPLIN: I know that.

Mr. MOTHERWELL: But they were planted indiscriminately as to quality and suitability for dehydration. They are bearing now and we shall be able to make tests with these while the other trees are growing. The result will be a continuous supply of new raw material for experimental purposes. If there were no trees bearing now the hon. gentleman's criticism would be warranted, but there is a substantial number of trees, although I am unable to say precisely how many thousands. It is a large soldier settlement where fruit-growing, particularly the producing of apricots, was undertaken after the war. The soldiers found the undertaking somewhat onerous and this is one way in which we can help them to improve the quality of their product and enable them to compete in any market.

Mr. CHAPLIN: The minister thinks I am criticising him. I was merely asking him for information, and he certainly has not given us a clear explanation of what he is doing. He says he is planting trees with the idea of finding out in the future which are the best varieties to grow. He also advises us that it will take six years to determine from the trees we are now planting what quality of fruit they will produce. He is putting in a dehydrating plant at once to test the kind of fruit which will be produced six years from now. That may not be what he said but it is the effect of his remarks. Can he not find out, by testing the fruit which is now being produced, what are the most suitable varieties? That is the common sense of the matter, and I know something about it because I come from a fruit district.

Mr. MOTHERWELL: We are not putting in a dehydrating plant at Oliver and I did not say that we were. We are transferring the plant that has been at Penticton.

Mr. CHAPLIN: Where are you putting it?

Mr. MOTHERWELL: We are transferring it to the experimental farm at Summerland about eight miles from Oliver. There is no dehydrating plant at Oliver, which is simply an experimental orchard. In the meantime there will be an abundance of apricots to experiment with.

Mr. MILLAR: Is this work carried on under the fruit branch or under some other department?

Mr. MOTHERWELL: The fruit commissioner is on the committee, also Professor Macoun, Mr. Archibald, the director of experimental farms, Mr. McGillivray, Mr. McIntosh and Dr. Shutt.

Mr. MILLAR: Is this connected with the health of animals branch?

Mr. MOTHERWELL: No, it comes under fruit.

Mr. TOLMIE: What variety of prune has the department found to be the most satisfactory for dehydration?

Mr. MOTHERWELL: We have not done much of that as yet. It is for that purpose that we are establishing the plant at Summerland. We have a new orchard of ten

acres where we shall experiment particularly with prunes. There are very few varieties of prunes that have been dehydrated, but an enormous quantity of prunes comes into Canada, and we might just as well produce that article ourselves. There is no doubt that they can be grown, but it has not yet been demonstrated which is the best variety or what is the proper stage of maturity for dehydration. That will be established at Summerland.

Mr. TOLMIE: We grow the Italian prune to perfection in many parts of British Columbia, and I was just wondering if that variety was satisfactory for dehydration purposes.

Mr. MOTHERWELL: I understand it is.

Mr. TOLMIE: What information has the minister with regard to the dehydration of the loganberry? That is a berry that is grown in great profusion. It is a fertile and a very profitable crop produced in many parts of British Columbia, particularly in the coast section and down on Vancouver island. We are already making most excellent wine from loganberries which after three or four years is equal in palatability, and also in pressure, to anything else. If we can find a new outlet for the loganberry, it will prove to be a very profitable crop for the growers in that section of the province.

Mr. MOTHERWELL: My hon. friend is quite right; it has become quite a crop. In the summary from which I have just quoted there is a short paragraph with regard to loganberries which says that in addition to the work at Agassiz there will be conducted dehydration work in connection with loganberries. Here is a paragraph with regard to loganberries in the report covering the last four years:

> Loganberries dehydrate into a delightful product. The colour, flavour and appearance are well preserved. When dehydrated they are almost as natural in appearance as the fresh fruit.

I might add that whereas the loss of weight in most evaporated fruits amounts to approximately twenty per cent, in the case of the loganberry moisture is absorbed in sufficient quantity to restore the fruit almost to its original weight as well as to its original quality.

Mr. STIRLING: I think the minister is to be congratulated in carrying on this work of dehydration of various fruits in the Okanagan valley. The experimental plant which has been in operation there for three years has arrived at some very valuable findings which have recently been published.

[Mr. Motherwell.]

With regard to one clause in that report it is particularly worth noting that as the grading of apples has got better and better, the quality of the cull apples left behind has also improved. Whilst dehydration is of very little use economically for the small under-sized crooked apples, the better the quality of the culls, the more culls there are in a hundred pounds which can lend themselves to dehydration. As a practical result of these experiments at Penticton, a small dehydration plant has successfully been started at Vernon on a commercial basis, and the minister has a sample of the dehydrated apples which they are putting on the market. To my mind the greatest future before these experiments lies in the dehydration of prunes, largely because Canada imports an enormous quantity of prunes every year. Throughout the Okanagan valley, and especially the southern part of it, prunes have been grown very successfully for the last twenty years. The Italian prune is the most popular variety, but it remains to be seen whether the Italian prune will prove as good for dehydration purposes as other varieties of prunes, and one of the values that I attach to this lease of land from the provincial government at Oliver is that there it will be demonstrated whether Italian prunes are the most likely to produce the maximum of results from dehydration. I do not know just where that five acres is situated, but I have no doubt that on it there will be growing already apricots, and very probably apples. Is not that so?

Mr. MOTHERWELL: Nothing as yet.

Mr. STIRLING: Undoubtedly apricots and apples, and I should imagine prunes, are being grown on the neighbouring land, and that will be an extremely good basis from which to start. I also agree with the moving of the dehydration plant from Penticton to the experimental farm at Summerland. That is a wise piece of business. It brings one more piece of work under the minister in that neighbourhood, directly under the eye and supervision of his representative at the farm. I think the fruit growing interests of British Columbia will be well served if the experiment is carried on along the lines the minister suggests.

Mr. ANDERSON (Halton): Has the minister considered the advisability of establishing a plant in the Niagara peninsula for the dehydration of fruit—apples and other products—or has such a plant been established there?

Mr. MOTHERWELL: Some years ago —before my time at least—dehydration was established at Grimsby right in the heart of the fruit country, but at that time they still held to the old idea that anything at all would do to dehydrate. The result was it was never satisfactory. They did not seem to take to the idea. It was a fresh fruit country, and although the establishment was a good one, and although an artificial ice production plant was constructed for the purpose of icing the cars, they never made use of it and are not using it now. They are using the ice plant to ice cars when required, and also to create a sheet of hockey ice in the adjoining rink.

Mr. ANDERSON (Halton): Is there a market for this particular product of dehydrated fruit?

Mr. MOTHERWELL: Yes, a very large market; but a great many people do not seem to differentiate between dehydrated and evaporated fruit. Some of the enthusiasts who first advocated dehydration left the impression that anything would do. Then when it was tried it did not produce a good product and did not take on the market. But they are getting over that idea now. There is a commercial plant at Kelowna, and another one at Vernon. I do not know whether the hon. member knows of any more or not. I think they are doing well. In the maritimes there are three plants which are doing fairly well, but not nearly as well as if they had an experimental plant in their midst, to give them the same advantage as the Kelowna plant got at Penticton, and that is the reason we are establishing one at Kentville.

Item agreed to.

Experimental farms, including necessary new buildings, $1,900,000.

Mr. GARDINER: Will the minister explain this item?

Mr. MOTHERWELL: As the committee is well aware, we have one central experimental farm and some twenty-two or twenty-three branch farms. I presume my hon. friend wants to know the amount for each branch farm, as well as the central experimental farm. The figures are as follows:

Central experimental farm	$500,000
New buildings	100,000
Special printing	65,000
New farms	145,000

That is the tobacco farm at L'Assomption.

	1928-29
Charlottetown	40,100
Summerside (Fox ranch)	14,840
Kentville	50,535
Nappan	44,755
Fredericton	48,280
Ste. Anne de la Pocatiere	46,625
Cap Rouge	50,000
St. Joachim, (horse farm)	13,675
Lennoxville	46,500
Farnham	22,500
La Ferme	35,000
Kapuskasing	45,759
Harrow	28,398
Morden	45,130
Brandon	46,662
Indian Head	47,935
Rosthern	34,600
Scott	36,225
Swift Current	35,880
Lethbridge	52,280
Lacombe	45,822
Invermere Windermere	36,500
Summerland	45,890
Agassiz	44,000
Sidney	24,695
Substations	26,805
General	3,200
	$1,022,591

I see that covers them all. I presume my hon. friend wants to know what this increase is to be used for. The house will recall that in addition to taking care of the general growth of this system it was hoped we would be able to make an extension last year or this year to some one or two of these farms. That is the one at Lethbridge, the central farm here. The equipment was getting inadequate to meet the situation. The other was the new tobacco farm at L'Assomption. We found the money grant was not sufficiently generous to take care of the central farm enlargement; so that it was spent on the Lethbridge farm and the new tobacco station at L'Assomption. This year we have been trying to arrange for an extension to the central farm. We have been negotiating for some time, but owing to the difference between the price asked by the owner of the property, and what we think we could afford to give, no transaction has as yet been consummated. There were three in prospect last year, and we have three in prospect this year. We will take up such one as the vote will permit our purchasing and we can make the best arrangements for. As the years pass by the valley of the Assiniboine is flooded with greater frequency than in the early days, with the result that a very large part of the Brandon experimental farm is inundated about every third year; that has occurred at least two or three times since I took charge of the department. Consequently we require an extension of that farm. A small extension at the Agassiz farm is also required. Which of

these three we will use the vote for I do not know at this stage. It will depend upon how good a bargain we can make and how much money we have at our disposal. We are in hopes of getting an extension of the central farm here. Our persistency in this direction has not resulted in very much progress so far, notwithstanding the urgency of the case.

Mr. BENNETT: Cannot you expropriate?

Mr. MOTHERWELL: It will be observed that part of this vote will cover the necessary buildings. In former years these had to appear in the Public Works estimates. It was thought to be more convenient to have this part of the expenditure included in our vote for administration purposes. Consequently $50,000 will be so expended, and will not appear, as formerly, in the public works vote. So the increase will be that much less than appears on the surface.

Mr. GARDINER: What is the necessity for the increase of the central experimental farm? Is it going to be made into a beauty spot, or is it to be used for experimental purposes?

Mr. MOTHERWELL: That question is very well put. It is already a beauty spot. I think great credit is due to the late Dr. Saunders for the way in which he laid out this farm forty years ago. At that time it was considered to be a good large farm, for it comprised about 460 acres. But to-day we are endeavouring to carry on our farming operations without sufficient land. Nearly every branch and provincial farm has been getting larger to meet the growing requirements of the country, but this farm has actually been growing smaller and smaller each decade so far as its utilization for practical purposes is concerned. The arboretum to the north of the Prescott highway takes up 62 acres; the shelter belt takes up 16 acres; the campus covers 13 acres; the orchard 40 acres; the experimental plots, the poultry runs and the paddocks and yards for the various branches of live stock take up a large acreage. The result is that for farming purposes the area is reduced to three fields of 40 acres each—120 acres. The campus of the Saskatoon university farm is twice as large as our campus. So cramped have we been for space that during the meeting of the world's poultry congress here last August we had to use our wits to conceal the lack of pasturage for our chickens. We did the best we could—we put some of our chickens on a piece of tillable land, and about 1,300 others we sent out to a private farm. The year before we put our chickens out on the rifle range, where we lost about a thousand dollars' worth due to the unsuitable nature of the ground. When an experimental farm in the very heart and nerve centre of the Dominion has not enough land to pasture its chickens, it seems to me we had better give up farming altogether or get additional acreage. But a far more serious question arises with respect to our young cattle. We send them out to the same rifle ranges, and I do not know what we should do but for the good nature of the hon. Minister of National Defence (Mr. Ralston), who lets us have the land at a nominal rental. Then we have 65 head of milch cows of various breeds to look after. We have no pasture for them. Last year we fenced off temporarily five or six acres of new meadow land that had been seeded down the year previous. In wet weather it does not take 65 cattle long to make such a small enclosure look more like a corral in the west than pastureland. In the summer time those cows are housed all through the day. At five o'clock in the evening we let them out to have their little frolic in this five-acre plot of nominal pasture, then at five o'clock in the morning they are brought in for their breakfast and kept in for another twelve hours. That practice has been going on for ten or fifteen years. Well now, it seems to me it is about time we provided a little real pastureland for those "critters." When Premier Bruce and Premier Coates were here last winter I was thankful it was that season of the year, because both of them are practical farmers. Premier Coates was more interested in live stock, and when I have a practical man like that to show around I have to keep dodging to prevent his getting to know too much about the weaknesses of our layout.

Mr. BLACK (Yukon): You can do it all right.

Mr. MOTHERWELL: That is not a joke, it is a fact. As I think everybody knows, the original owner of about 100 acres of the present central farm was the late J. R. Booth. He was an old resident and we all recognized the sentimental value he placed upon the Booth farm—he held it away up at $1,500 an acre. Of course he did not want to sell, and I could not blame him, for he was associated with the place for the best part of his life. Now, however, the present owners are prepared to talk business, although their price is still too high. I feel very strongly that we should not continue any longer with our present cramped quarters if we are to have a real central farm. It must be remem-

bered that this is the centre of our whole system of experimental farms. It is here that we develop new wheats. During the last few years we have, in a small way, grown the wheat under glass in the winter, and so reduced by half the time required to develop a new variety; but with only sufficient room to do it on a single plot instead of a triplicate plot system, and with very little glass for continuing this experimental work through the winter, it takes us a little better than double the usual time to develop a new wheat. It seems to me that since Canada is developing in this way, with at least half of the people engaged in agriculture, we can afford to have one farm here as the centre of the system, of a size commensurate with the importance and the innumerable requirements of agriculture.

Mr. MILLAR: Since one of these experimental farms is close to my own home, and since I am possibly responsible for a small part of the increase, perhaps it would not be amiss if I were to say something on this subject. Within recent years three important events have occurred in conncetion with that farm, the first being the magnificent donation of Mr. W. R. Patterson, which was mentioned in the house last year. Mr. Patterson owned 640 acres of land immediately north of the experimental farm, one of the finest farms in western Canada, with a fine spring, good buildings and the land in a good state of cultivation, and he has given this as an addition to the present farm. Nominally I suppose this farm is being held by the government at a small rental, but evenutally it is to become the absolute property of the Dominion of Canada.

The next event, and a rather happy one, was a hail storm. I had been trying for a year or more to persuade the Minister of Agriculture that a new greenhouse was required on that farm, since the one then existing was a small building erected in 1888, which had become a fine illustration of decay. The minister was visiting in the west, and while he was there I prayed for a hail storm, which eventually came and finished the greenhouse. I then telephoned the minister asking him to pay a visit to the farm, which he kindly consented to do, and I knew that would settle the matter. It did; the greenhouse is already built and is a credit to the farm.

The third matter which I desired to mention was in connection with the horse breeding business. For some years, under the able management of the superintendent, Mr. W. H. Gibson, they have been engaged in breeding Clydesdale horses, and have produced some of the best Clydesdales in Canada. Last fall a number of these horses were exhibited at Toronto, but for a reason easy to explain they did not succeed very well at that exhibition. The same horses were taken to Chicago, however, where they were awarded a number of the very best prizes in competition with the rest of the North American continent, and as I understand it, one of these horses was awarded the title of the best Clydesdale mare in North America. A Scotch judge, who was judging some of these horses at Toronto, said about one horse that he would like to take it back to Scotland with him. I think that shows that we have made great advances in Canada in this connection. Of course all the provinces do not specialize in the same breeds, but I fancy that within the next ten or fifteen years western Canada may become the source of supply of the very best Clydesdales, and we will find breeders coming to Canada from the United States and perhaps even from Scotland to buy their stock. Therefore I wish to commend the minister on the management of this farm at Indian Head.

Mr. MOTHERWELL: Before anyone else speaks I would like to refer for a moment to Mr. Patterson's donation of a whole section of land, fully equipped with the exception of machinery. I have known that farm ever since it was homesteaded, and it is a wonderful property. We had an experimental farm there consisting of 680 acres; Mr. Patterson knew the government required more land, and he contributed another 640 acres, feeling that his original homestead could not be put to a better use. He has been living there right beside the experimental farm for nearly forty years, and he appreciated the work done. We have to get up some speed or private interests will step in and do work which naturally falls to the lot of the government. It is no secret that when our research experts were taken from Winnipeg to Australia and to Toronto, the wheat pool offered to make up an addition to their salaries sufficient to keep them here. We should not have that condition; surely we should speed up, and not only extend our farms but also pay our men salaries sufficiently adequate so that they will not gravitate away to other countries when they receive better offers. I am sure that when the hon. member for Acadia (Mr. Gardiner) knows all the facts in connection with this farm, his judgment will tell him that we must either go forward or go back, and this is not the time to go back. The more the west grows the more tremendous are the problems to be solved in connection with cereal culture. This year our loss from rust

is estimated to be at least a hundred million dollars, and my opinion is that it will be a great deal more. In addition to that matter, our experimental farms are taking up the question of root rots and a number of other important things, so it will be seen that we will be doing a real work. Perhaps when the rust laboratory at the farm gets started we may have all this work under one administration, although I doubt if that can be done because you have to operate right in the rust field. That is where this work is being done, with headquarters in Ottawa to keep track of it all. We cannot carry on these operations in mid-air or under ground; they have to be done on the ground level and under natural conditions, or they are not of much value. We have a large herd of cattle representing the three main dairying breeds, and they do not see the light of day from five o'clock in the morning until about five o'clock in the afternoon. That is very unsanitary and an absolutely unnatural condition, and work of that kind must be carried on under conditions as close to normal as it is possible to make them.

Mr. GARLAND (Carleton): I do not know that I can quite agree with the idea of enlarging the farm. When the present location was decided on some forty years ago, the Conservative party was in power; they appointed a committee or commission from both sides of the house to look about and procure land for this experimental farm, and if I remember correctly Hon. Sydney Fisher represented the Liberal party. I was wondering if it would not be wise for the present government to adopt the same method of procedure. I believe there is land very close to the present Booth farm which could be bought for much less money, and it is very good land in a very good location. It might even be wise to take the adjoining properties; I believe there is one farm of 80 acres and another of 160 acres, making a total of 240 acres which could be secured in addition to the present land. If it is good business to enlarge the present farm at all I believe it is good business to get 240 acres more, and so have a farm which will do for the next twenty-five or perhaps fifty years. If that were done the farm would be bounded on all sides by main highways, which is a very desirable feature.

I would also like to bring up another point. The municipality in which this land is situated at present exempts the experimental farm from school rates and municipal taxes. There will now be 420 acres added to that exemption. The government have also exempted some 2,700 acres in this same township for the Connaught rifle range. To my mind that municipality should be helped by the government in some way, if not through the medium of municipal rates at least by means of school rates. The children of those who reside on the experimental farm get their tuition in the schools of the city, although the rural municipality has established a high school at enormous expense. Therefore these municipalities should be given compensation of some kind, bearing in mind the exemptions which diminish their revenue.

I agree with everything the minister has said with respect to the very cramped conditions on the farm. The way the live stock are housed and kept at the farm almost constitutes cruelty to animals. Nobody in the business would think for a moment of keeping live stock under the conditions in which they are kept at the farm. Brood mares are running loose along a little lane at night, and a watchmen is kept to see that no person runs a motor car down there and cause injury. There is no room whatever for poultry, sheep, cattle, or in fact any live stock at all. I commend the minister for his decision to enlarge the farm, but I do not quite agree with him in his expropriation proposals. I think he might have got the other 240 acres adjoining at a much lower price, and the price he would then pay would be more on a parity with prevailing land values. The price asked for the Booth farm, according to newspaper reports, is $600 an acre. That is too much to pay for merely farm land, but it is at the rate of $100 for a city lot. Land which is practically in the city, bought at this rate will be worth inside the next ten years, practically $1,000 a lot; you cannot at present get lots as close to the city as the lots in question are at such a price as that.

Mr. EVANS: What is the area of the proposed extension and what will it cost?

Mr. MOTHERWELL: The area is something like 320 or 321 acres. Whilst I am on my feet I should like to say something in reply to the hon. member for Carleton. It is quite evident that no question of politics is intruding itself in this matter because the owner of the farm which my hon. friend is recommending is a Liberal, or is supposed to be, whereas the owner of the land whose purchase I am considering is a Conservative. It must be admitted therefore that we are dealing with this matter purely on its merits, a very pleasant fact to record. I may say to my hon. friend that we have had offers of parcels of land at a rate very considerably cheaper than the price of the Booth farm, but anybody

who has had any experience in operating two farms divided by a highway knows the tremendous disadvantages encountered in trying to get from one to the other. If you are on the one farm the implements you desire are at the other, and when you are at the other you are bound to want implements which are at the first farm. It would be a continual inconvenience to have to cross the road. The land is good but not better land for experimental purposes; it is a very heavy good clay land. On the far side, what should be called the west side I suppose, there is a lot of rough land which is very broken up with rocks, and there are two intersecting roads. If we had taken the farm suggested there would have been two roads between the present experimental farm and the operations on the far part of the Caldwell farm.

Mr. GARLAND (Carleton): I did not suggest going past the suburban road.

Mr. MOTHERWELL: The property we have in mind is almost as natural a site as Fort Churchill is a natural terminal for the Hudson Bay railway. I do not know how you would improve it. However, I am not going to enter into any discussion, because we have not purchased the land yet. We are going to get land somewhere, and I am very glad to have my hon. friend's testimony as to the urgency of the case.

Mr. BRADY: I should like to ask the Minister of Agriculture three questions: first, what portion of the appropriation of $1,900,000 for experimental farms goes to British Columbia; secondly, what part of the total appropriation is to be applied to the erection of new buildings; thirdly, is it the intention of the government to extend the operation of experimental farms and give one to the great area of central British Columbia?

Mr. MOTHERWELL: While my deputy is looking up the desired information with regard to my hon. friend's first question I will answer his third. I was in hopes some years ago of being able to carry out the expectations of my predecessor in establishing a new experimental farm up in the Prince Rupert district between Fort George and Rupert, and made a trip through that country in order to judge of its character. It holds out many advantages from an agricultural standpoint, but I found that the district was so inadequately equipped for the purpose that I concluded it would be better to improve existing farms to a reasonable degree, than to establish new farms. There is a tremendous demand for the starting of new farms—I do not think there has been any less pressure in the case of this government as compared with preceding governments in that respect—but the most sensible proceeding would seem to be to complete the existing experimental farms and equip them properly. We have been starting a number of demonstration plots, and I think they have been doing pretty good work. Of course some people are very ambitious and would not for a moment look at little demonstration plots or small farms; they want big farms, equipped with buildings, and cattle, and other kinds of live stock. Personally I think we have as many farms as we can afford to administer until a larger appropriation is voted, and that in some of the provinces we could do with fewer farms at this stage. But they are in existence, and hon. gentlemen will remember the old saying: Once a capital always a capital; once a farm always a farm, because it is pretty hard to let it go. In some of the provinces where there are many farms, four or five, the provincial governments have started negotiations with the department here looking towards the taking over of some of these farms for provincial purposes. Whether anything will come of it I do not know, but I look favourably on the proposal where a province has four or five farms. These farms have done excellent pioneer work and some of the provinces are desirous of taking over farms here and there. I am not going to say what purposes they have in view, but I may observe that they have been looking into the work carried on at the Alberta farm and have been looking into the schools, having in mind perhaps the possibility of establishing some primary agricultural farms such as were set up in Alberta some years ago. If we can make a business arrangement with them we may relinquish some of the farms and then extend into frontier areas. I am not going to make any promise in that regard but I should like to see something done in that direction. In the meantime we are doing what we can to establish the work on a sound basis, equipping old farms where necessary. To get the most satisfactory results we should really, if I may use the term, jack up the vote half a million every year, because we have been going along very niggardly. I may say that we are not going to come out square this year. As every farmer knows, the last two years have been exceedingly expensive in agriculture; and as costs have increased in the case of the private

farmer, where the harvesting is done in bad weather, so have they increased to the government, with the result that we are running somewhat behind. The total for British Columbia is $200,000. There are the Sidney farm on the island, Agassiz on the mainland, and Summerland and Invermere, besides some substations in the north.

Mr. BRADY: I deeply appreciate the explanation which the minister has given, and I realize what expenditure is involved in developing agriculture throughout Canada. At the same time, I should be derelict in my duty if I did not oppose the views of the minister, knowing as I do the importance and the greatness of the lands which to-day are neglected in the matter of experimental work. I desire to give to the committee a clear view of a part of the country which to-day is practically in a pioneer state, wherein farmers alone, unaided, are building up an agricultural industry that has brought them into prominence even against the keenest competition of the most centralized and most highly developed parts of Canada. There are two points in relation to the district to which I refer which I wish to submit for the consideration of the minister. In the last year or so the farmers in the district in question, in competition with other parts of Canada, as well as of the United States, were able by their unaided efforts to secure first prize in Chicago for their timothy seed. Within recent days the president of the Alberta wheat pool examined at the elevator in Prince Rupert cars of wheat coming from the prairies and four cars that came from the Buckley valley, and he, unprejudiced, publicly made the assertion that the wheat that came from the Buckley district excelled that of best grade wheat that came from the prairies. I am giving you the words of Mr. Woods, the president of the Alberta wheat pool.

I wish to say a few words now to show that it is the duty of this government to enlarge the scope of the splendid work which the experimental farms are doing, and to urge that the particular district I am speaking for should have an experimental farm.

Briefly, the constituency of Skeena comprises four provincial electoral ridings, Atlin, Ominica, Skeena, Prince Rupert and part of Mackenzie county. In that constituency there are the famous valleys of the Kispiox, Nechako, Endako, Buckley, Skeena and the Naas, comprising a million acres of land that is most suitable for agriculture and dairying. But what do we find? We find that the climatic conditions that prevail in this great empire of national wealth are not known to Canada at all. It would be impossible for any Canadian who has not travelled the great west to realize the potentialities of wealth that lie within those borders. When you come to consider it, the splendid experimental farm at Agassiz fills only the needs of a small portion of British Columbia. Agassiz experimental farm is situated in the most southern part of British Columbia, within a few miles of Vancouver. It has done splendid work. Everyone knows of the wonderful development that has taken place there in the dairying industry and of the prizes obtained by the prize herds on this farm. In poultry, too, as well as dairying, it has done a splendid work in developing the southern part of British Columbia. But what about that great section of country to which I refer. We have there millions of acres of land suitable for agriculture, but progress has been retarded, and there has not been that development that has taken place in the most southerly part. The minister is aware of the reasons that we advanced on behalf of this section last year. We mentioned first of all the necessity, and showed the advantage an experimental farm would be to the established farmers as well as to new settlers. I should like to put some facts before the committee, Mr. Chairman, and if I am wrong I should like the minister to correct me. I shall be willing to accept his decision if he can deny the accuracy of my statements in this connection.

The constituency of Skeena, for which I am asking for an experimental farm, is ten times as large as the Free State of Ireland, whose president was in the precincts of this building a few days ago. We have almost the same climatic conditions in the constituency of Skeena as they have in the Free State of Ireland, but greater possibilities if we would only make use of them. In the first eleven months of the three years from 1925 to 1927 the butter exportations from the Irish Free State rose from £3,500,000 to £4,500,000, an increase of practically $5,000,000. Their imports of butter during the same period decreased from £867,000 to £333,000, a decrease of about $1,700,000.

I am not here to ask the government for something that is not of vital import to Canada. I realize what it would mean in expenditure, but I know that in what I say I am striking a responsive chord in the hearts of the people who want to build up in this country a great agricultural and dairying industry, the very foundation of Canada's success. The minister may not be able to establish a farm there now, but I ask him

and the government seriously to examine the needs of that country and to give to those people this opportunity to develop their great resources.

There is one other point that I think it is worth while for me to bring up. In western Canada there are thousands of young boys to-day who are not fitting in with the social fabric of our country. I think scholarships should be offered to boys selected from each agricultural community and an opportunity given to them to acquire a knowledge of agriculture and dairying. That is one thing in which we are behind. There are many boys to-day who would willingly take up this great work if they had the opportunity. Our schools are crammed full of great material that is going to waste, and I appeal once more to the government, and ask for the kind co-operation of the Minister of Agriculture, to do something in this direction for western Canada, which to-day is absolutely left to its own resources in agricultural development.

Mr. TOLMIE: With regard to these experimental farms and the proposed enlargement of the central experimental farm at Ottawa, I quite agree that there is a marked necessity for the addition of certain lands to the central experimental farm. As far as the purchase of the lands is concerned, the best lands should be procured for the least possible money, always seeing to it they are well fitted for the purpose of which they are required. It is a very difficult matter of course to set any actual value on farm lands that are used for experimental purposes, where a great deal of the work that is carried on in the different lines is done on plots of one-fortieth of an acre. But it is common knowledge that the discoveries on this single farm at Ottawa have already yielded a revenue to the agriculture of this country that has amply paid for every dollar that has been expended on experimental farms or will be expended in that direction for some years to come. If these experiments are to be of value to the average farmer they must be carried on under ordinary farming conditions, that is, with a sufficient area to supply pasturage and the other things that one usually finds in connection with an ordinary mixed farm in Canada. So I should say that the purchase of these lands is an absolute necessity. The people of Canada are to be congratulated upon possessing the most complete system of experimental farms to be found in any other country, without a single exception. Those farms have developed; they have done a great deal of very valuable work for this country, and properly conducted they have a great future. It would be a mistake, in my opinion, to cramp the central experimental farm at Ottawa, which is the one generally visited by agriculturists and others coming here from other parts of the world. Canada is too big a country to take any such narrow view of the situation.

Referring to what the hon. member for Skeena has said, I quite agree with his remarks in connection with the necessity for a farm in that huge inland empire known as central and northern British Columbia. British Columbia has an area larger than the three states to the south, an area greater than France and Italy and Switzerland combined; so you can readily see that with one or two experimental farms located in the southern part of the country, where the conditions are entirely different from those that prevail in the north, it is impossible to obtain the best results and to give information that will be of value to those who are living in the northern section. That northern country is a great lake area, with rich lands, lightly timbered, and with many lakes and rivers. It is an ideal dairy country, with such a rainfall that you can have a stand of grass all summer. During the past year British Columbia was one huge field of grass wherever grass could grow, from the forty-ninth parallel to the Alaska boundary. Hon. members may be surprised to know that in British Columbia we have no less than 160,000,000 acres of range land, of which 100,000,000 acres are timbered and 60,000,000 open. To show you how slowly we are progressing, in one single year it has been found necessary for us to import seventy-five per cent of the meat we buy in British Columbia, running into a matter of $5,750,000, as well as 24,000 head of cattle, 63,000 sheep—as many as we have in the province—5,000 calves, and 113,000 hogs. That is the amount we imported into a country which has rich agricultural possibilities but is still in an undeveloped state. We are using but six per cent of our range land, while the state of Washington to the south is using about 69.7 per cent. Washington is not only feeding herself but is exporting her surplus products to other countries, and that shows how necessary it is to encourage the settlement of those great areas. I do not know anything that would give more encouragement to those farmers than a recognition on the part of this government, by the establishment of a suitable farm in that particular section, of the agricultural possibilities of the part of the country to which I refer.

During the time I had the honour to be Minister of Agriculture we decided to have a farm located in that section, after we had made a very thorough examination, and received reports from the experts of the Department of Agriculture connected with the experimental farm system. They reported favourably, and we would have established a farm there had it not been for the action of the Liberal party in defeating us at the next election. However, we have strongly urged this on the present Minister of Agriculture, and I feel sure that he could not dispose to better advantage of any of that surplus which the Minister of Finance mentioned yesterday in his budget speech than by immediately taking up this matter and establishing an experimental farm in that section. During my time as minister we established an experimental farm at Swift Current. A good many of the people were opposed to it at the time, but I understand that it is now rendering very excellent service to the farmers in that particular area. The peculiar conditions existing there were a reason for the establishment of that farm, and the same is the case in northern British Columbia. None of the present experimental farms can do for the agriculture of that province what the establishment of a farm in that particular area itself would do. I urge again upon the minister in the strongest possible terms that if he cannot give attention to this matter this year he take advantage of the earliest opportunity to obtain further information, and then to expend the necessary money for this very laudable purpose.

Mr. SPEAKMAN: I have listened with sympathetic interest to the statement made by the hon. member for Skeena (Mr. Brady), I believe that the work done by the experimental farm has proved to be of so much value to the farming interests of this country that the minister should take under consideration as soon as possible the extension of that system to a part of the country which is so badly in need of it. I am driven to that conclusion by my personal knowledge of the good work that has been done by the district farms. While speaking of this matter may I refer to the statement of the minister a moment ago that we were familiar with the system and with the probable changes. I quite agree with him, but I say that it is not so much that the problems are becoming more difficult or less difficult of solution, but they are becoming different. The pioneer days in the old parts of the provinces immediately in the vicinity of the experimental farms have gone. With them the pioneers problems have gone, but we are confronted day by day with changed problems that require new methods; the discovery of those new methods with accuracy and knowledge requires further experimentation, and I believe that it will be many years, if ever, before the time comes when we can do without our experimental farms. We have stressed in this house, and stressed rightly, the value of scientific research as applied to industry. It is my impression, and I think it is an impression which is shared by all those who have any knowledge of the subject whatever, that there is no occupation which more definitely requires the application of scientific information, which more definitely calls for further scientific research than that very occupation of agriculture. Dealing as we do, as every farmer must do, with nature itself, facing the varying climatic and soil conditions, and working as it were in the very laboratory of nature itself, it seems to me that there should be brought to the assistance of that occupation all the knowledge which can be obtained on the subject. I am perhaps more intimately acquainted with the experimental farm at Lacombe. I no longer represent that particular district, but my interests are the same as they were previously. I have spoken on the subject before. May I say again that I would be very sorry at any time to see a diminution of the interest taken in this matter, and I would be glad at any time to welcome an increase in the attention paid to those farms. They have done excellent work, as far as I have seen in my experience, and I think the money spent on these farms has been well expended. It is not merely a matter of discovering new seed varieties, or discovering the best method of caring for stock. There is another aspect to which I have referred before, and to which I shall refer again, and that is the protective effect. I do not see the hon. member for Moose Jaw (Mr. Ross) in his place, but I know that he takes strong exception to the word "protection." But there is one form of protection with which I am in favour, and that is protection against the exploitation of the people of this country, and these farms are one of the best means of preventing the exploitation of farmers by unscrupulous men who at all times of the year come forward trying to sell some particular kind of seed which they say is of great value, which turns out to be of no value. The farmer is not in a position to experiment with these seeds. It would be ruinous for him to attempt to do so. His time is too precious. The work of the farms is experimental not commercial work,

and I disagree with those gentlemen who speak without knowledge, who say that the experimental farms should be self-supporting. That is not the purposes of these farms. The idea is that these farms should carry on experimental work, such as no individual farmer can do. In that way we would increase the productiveness of the farm and the profits to the farmer. I am a farmer myself, but I think we in this house all realize that any grant which will assist better production in any line of business and lower production costs, or which will increase or improve the value and variety of products and will improve the possibilities of selling any product in the country, will be money well spent.

Again I urge upon the minister that he give his full support to these farms; in fact I know he will, and this house is more and more realizing that point, and will not only grant, without undue criticism, but will welcome the appropriation of money for additional expenditures when it can be proved that the result will be beneficial, and that the money will be spent in the most economical and efficient manner.

I should like to refer to what was said by the hon. member for Skeena in connection with agricultural training for young men. I am very much in sympathy with that point of view, and I speak of it because of some experience I had or because of some observations I made of the work being done in the agricultural schools. That work is carried on to a limited degree, it is true, in Alberta, but I may suggest to the hon. member that it was carried on by the provincial government. They endeavoured to train young men and young women, to give them a more scientific knowledge of the greatest occupation in the world —and I believe it is the greatest—and to elevate that occupation in their minds, so that their mental concept of farming should not be that of a servile occupation but that they should be imbued with the idea that agriculture in its proper sense is one of the greatest and most useful occupations in the world.

Mr. KENNEDY: Last year when the minister's estimates were before the house he informed us that it was his intention to rent forty acre plots for demonstration purposes at Spirit River, Waterhole and McLennan in the Peace River country. Can the minister tell me what has been the result of that policy?

Mr. MOTHERWELL: My recollection of it is that we were unfortunate in that the gentleman who had charge of this work, Mr. Fixter, passed away, with the result that we have not been able to follow up the work as accurately as we would otherwise have done. We have a successor in mind, if we can land him. I do not know whether we can or not, but I think he will make a good man if we can obtain his services. When I had the privilege of visiting that country in 1925 I sized it up with the idea of establishing these demonstration plots, because they cost only four or five hundred dollars apiece, and they are in new districts. I do not know where we can spend money to better advantage. I do not want to hold out any temptations to new men to apply for this because of its being something of a government nature, but there is no place they can serve the country better than in that district. In reference to an experimental farm such as the hon. member for Skeena has been advocating, I think it will possibly come, but in the meantime we have a substation at Beaver Lodge; Mr. Albright is in charge and is doing very good work. It is a privately owned farm, and probably we are geting better value for the money expended than we would in any other way, but neverthless the system has disadvantages that I need not enter into. If our friends will get the idea of keeping me on the job long enough I may get out to those places, or if some of the older farms are taken over by the provinces we shall be able to go further afield. There is no doubt that the hon. members for Skeena (Mr. Brady) and Victoria (Mr. Tolmie) are right, that country requires a full-fledged farm; but I have to make my coat suit the cloth. Give me more cloth and I will try to meet all these demands, although personally I am not very much in favour of multiplying these farms in the older provinces. British Columbia now has as many full-fledged farms as any of the other provinces.

An hon. MEMBER: One.

Mr. MOTHERWELL: British Columbia has four; Saskatchewan also has four, and so has Quebec. Therefore if we gave British Columbia one more she would have more full-fledged farms than any other province. But that of itself does not nullify the need in the district of which my hon. friend spoke. As I said before, if I am responsible for this work sufficiently long I think I will get around there. There is no question that both there and in the Peace River we have very promising centres for the settlers that are pouring into this country. With regard to those three or four units, the late Mr. Fixter visited all the locations. Before he reached Spirit River he received through the mail protests against these little 40-acre plots. The

objectors did not think that the plots looked like farms at all; they wanted full-fledged experimental farms or nothing. We received no protests from Waterhole or McLennan Junction. As I said before, on account of Mr. Fixter dying last summer we were unable to follow up these activities. I should like to hear my hon. friend's opinion regarding the suitability of these three points.

Mr. KENNEDY: Mr. Chairman, if it was the intention of the department to go ahead this summer, I would not have any criticism of the location, but I do think Peace River deserves a full-sized experimental farm. The hon. member for Victoria, B.C., suggested that it would be a good thing to have an extension of the central experimental farm, and the minister said that he had had considerable difficulty to keep distinguished visitors from noticing the weaknesses of the present situation, due to the fact that the central farm has become too small. It may be very important for us to have a fine gateway to show distinguished visitors, and I am in favour of it; but it is just as important that we give full recognition to the people who are pioneering in northern British Columbia and Northern Alberta. I would prefer a full-sized experimental farm for the Peace River country, but if the minister says we cannot have that, why, we ought to proceed with this other plan in the meantime, without, however, losing sight of the full-sized farm. The work being done at Beaver Lodge is in my judgment very valuable and is appreciated in Peace River. I do not know of anything more valuable to the average farmer in that country than the results of the experimental work done by the superintendent of the station.

Mr. MOTHERWELL: In the event of our establishing a full-fledged farm in Peace River, would my hon. friend suggest that we keep the Beaver Lodge farm going too?

Mr. KENNEDY: It would depend on the location of the experimental farm. When the day comes to establish a full-fledged experimental farm, I hope the site will be selected on the basis of the suitability of the soil and the location to serve the whole country, and that no political considerations will be allowed to enter into the selection. If the site selected is near the present Beaver Lodge farm, then of course that farm can be dropped; if the site is at a distance, it will be necessary to consider whether the demonstration farm should be still carried on.

Mr. CARMICHAEL: Mr. Chairman, I should like to put in a word of appreciation for the good work that is being done by what might be termed these pioneer illustration stations. I do not know just how many are in operation, but I am very well acquainted with the excellent work that is being done by at least one of them located near my home town. It was established, I think, in 1923. We were very fortunate in getting an able man to take charge, a good practical farmer. For the amount of money expended, I would venture the opinion that the work done is much more beneficial to the farmers in the surrounding country than even that done by the central farm. The acreage is about 40 acres, and the rental $200 a year. Annually at this small station we have what is called a field day. Last fall I was fortunate enough to be able to attend. There were, I should judge, from 120 to 125 farmers present, some with their wives, to receive instruction and listen to the lectures given by two men sent out from the Swift Current central farm. It was a very interesting day. The farmer in charge of the station had plots of different kinds of clover, wheat, oats, corn, and such like, as well as some fallow ploughed land. One of the lecturers took the people from plot to plot and outlined what was being done. Following that a free lunch was served, and the people sat down beside the farmer's house and listened to some very instructive lectures. I think many of those assembled came from fifteen or twenty miles away to take advantage of that field day. It was the consensus of opinion that not only was that particular day very profitable to the farmers of the community, but the illustration station was of great value to them because they were able to call up the man in charge and get his advice as to different crop rotations. I was going to suggest that it might be profitable, and certainly not very expensive, to have more of these illustration stations in the pioneer districts. My own constituency is about eighty miles from north to south and approximately 150 miles from east to west, and in that area I believe there are only two or possibly three of these stations. When I was fifty miles away from my own town I found that inquiries were being made from the station there. I suggest to the minister the advisability of having more of these small stations established in good central localities, because one station should not serve a greater radius than possibly fifteen or twenty miles. In the pioneer districts of the western part of Canada I am sure it would greatly benefit the people if a good many more of these stations were

established, and it would not be very expensive to the department. I wonder if the minister could tell us just how many of these stations are in existence in Saskatchewan, and the amount of money expended on them.

Mr. MOTHERWELL: There are about twenty-five stations in Saskatchewan. There were three in my hon. friend's riding, but I am not sure whether or not the first one is still in existence; there is one down in that point of land near Empress, I believe. In the whole of Canada we have 169 of these stations, and the average cost is about $200, ranging from $10 to $500 or $600. There are two or three special stations, one of them in what we call the burned-out area south of Yellow Grass. We have a very difficult problem there; a lot of the soil has disappeared, either from the effects of fire or from wind; it has a remarkable faculty of being blown somewhere, but we do not know where it goes. In those areas we have special demonstrations which cost a little more, but the average is about $200. Then there are a number of small stations up towards Hudson bay, which are about half as large as this room, and their average cost is very low.

Mr. EDWARDS (Frontenac): How many of those stations are in Ontario?

Mr. MOTHERWELL: About twenty.

Mr. McQUARRIE: I would like to add a few words to the eloquent plea advanced by the hon. member for Skeena (Mr. Brady) for an experimental station in central British Columbia. That huge country is bound to develop but it requires some assistance, and it seems to me to be a good investment for the government to make plans immediately for the establishment of an experimental farm somewhere in that country. I come from southern British Columbia, and there is an experimental farm in the constituency adjoining mine, at Agassiz. I believe that farm has done a lot of good; it has been very well conducted and is a credit to the department in every way, but I have been wondering whether it would not be possible to do something more in that connection for the benefit of that particular part of the country where the conditions as the minister knows, are somewhat peculiar. Most of the land in the Fraser valley was heavily timbered; most of the timber has been removed, leaving a great many stumps which have been there for many years, and our people are faced with the problem of getting that land into a condition which will permit of cultivation. When the stumps are removed we will have land there which cannot be surpassed, as the minister is well aware; he visited that part of the country quite recently and is familiar with the conditions. We were not able to put on a hail storm for his benefit, as was done by the hon. member for Qu'Appelle (Mr. Millar), but I think we showed him everything there was to be seen, and he was very good in going round and visiting the small and large fairs which we have everywhere during the fall season. He saw what can be produced when the land is cultivated, and I think he saw some other things also.

Mr. MOTHERWELL: Not enough of them.

Mr. McQUARRIE: He saw some of the Liberal politicians and tried to instil a little courage into them, but as results have shown he did not succeed very well. However, we were glad to see him and we would like to have him come back any time.

I should like to know from the minister whether the program mapped out in regard to these experimental farms includes anything in the way of investigation or experimentation to find the best and most economical methods for clearing land such as we have in the Fraser valley, because that would be very valuable knowledge indeed. It is very hard for the farmers themselves to bear the expense of clearing lands unless some new method is devised for getting rid of these stumps. I suppose the minister has considered this subject, because the government attempted to place returned men on land which was covered with stumps, and in quite a number of cases these men found it impossible to succeed. I think they had the industry; they worked hard enough, but conditions were such that success was almost impossible. As the minister knows, under present methods it costs from $100 to $500 an acre to clear land, and it is a question whether the land when cleared is worth that high figure. If we can only devise some new method of getting rid of these ancient stumps there will be a great deal of land put under cultivation which is capable of producing fruits and vegetables as well as grains, and about everything else that is grown anywhere outside of the tropical regions. There is an immense area in the Fraser valley which should be made available for agricultural purposes. I think possibly I represent the finest agricultural district in the whole of British Columbia, and that means a

good deal. I am sure I am safe in saying that I represent more farmers than any other member from British Columbia, and I would impress upon the minister the necessity for making some intensive study of the best method of clearing up our lands.

Mr. MOTHERWELL: As my hon. friend has raised not a new question but one new this afternoon, I think I will be justified in making some comment in that connection. We have figures because we have cleared up some of these lands in British Columbia, for instance at Sidney, but I hesitate to give the information to my hon. friend because I am afraid it would not be very conducive to immigration; the clearing of the land would cost too much. The situation is just the same as it was with the farmers in Ontario a hundred years ago. If the people of that time had known how much it was going to cost in money and labour to clear the land they might have hesitated about tackling it. Nevertheless they did tackle it and once they got interested they forgot all about the cost. They had more in the way of strong arms and healthy bodies than they had cash in the bank, and they kept working away until they cleared the land. That is the only course to follow in the case of these British Columbia lands that I know of. If you want to charge up the cost of clearing that land you must bear these facts in mind: You have to blow the whole thing to pieces with dynamite, and then as a consequenc of turning the under soil over on to your top soil you have to use fertilizer—the whole cost is a serious deterrent to settlement. Of course in the case of a man who wants to go in and make a home for himself regardless of the cost it is a different matter; but if he sits down, as a man should do when he wishes to build a house, and considers the cost he will never start it. This statement, of course, is not very encouraging.

Mr. McQUARRIE: That hardly answers my question.

Mr. MOTHERWELL: I do not care to give the figures. It is very expensive if you charge up everything. But if you are really desirous of building a home, and you like the climate, and you clean up a little bit every year and have good health, you will get a good farm by the time you are ready to pass away.

Mr. McQUARRIE: Of course you will have a good farm, but the minister has not dealt with my question at all.

Mr. MOTHERWELL: Do you want me to give the exact figures?

[Mr. McQuarrie.]

Mr. McQUARRIE: I am not asking for figures. What I am asking is this: Is the department conducting any experiments as to the best and most economical method of clearing lands? The minister throws up his hands and says that the only way to clear lands is to get in and take out stumps—that is, follow the strong arm method; but sometimes it has been possible to use brains as well as strong arms. The question I am asking is: Has the minister access to brains, and is his department doing anything to investigate this particular matter?

Mr. MOTHERWELL: Not for publication purposes. We are not only investigating but we are doing the actual work and know the actual cost. There has been some experimental work done, but primarily for clearing the land in Agassiz. A large part of that land is mountainous, and of 1,300 acres possibly only about 300 acres are tillable. The rest is so mountainous we could not convert it into arable land. There is some work being done in the direction my hon. friend suggests but it does not require experimenting. I do not see any particular advantage in finding the cost. The proper method to follow in a case of that kind is to take the timber off the land and commercialize it to the best advantage, apply it to whatever purposes it is most suitable for, and then blow out the stumps with dynamite. By so doing, however, you create big holes so that you would think you were in some shell-scarred region in France or Flanders. It is very expensive land to clear, because it is so heavily timbered, and then one has to use fertilizers thereon in order to bring it into proper condition for production. We can give the desired information, but it would not be conducive to promoting the settlement of these timbered lands, which after all make expensive farm lands unless all the timber thereon can be used commercially.

Mr. GARLAND (Bow River): I do not think the Minister of Agriculture is treating the hon. member quite fairly in refusing to answer the question on the ground that it may not conduce to furthering the immigration plans of the government. No greater condemnation of immigration plans with respect to British Columbia has been made in this house than the one uttered by the minister when he intimates that not only would labour extending over years be involved in clearing out a farm, but that the man would probably be in his grave before he had succeeded in getting a farm. I do not see why the information cannot be given.

Mr. MOTHERWELL: I will give it to my hon. friend, but I do not think it will serve any good purpose. The land at Sidney is heavily timbered, and in some places the cost would be $500 an acre.

Mr. EDWARDS (Frontenac): I wish to ask the minister for some figures that may not be quite so horrifying. How much of this item is to be devoted to increasing the area of the experimental farm in this city? I believe that farm is entirely too small. It is carrying on work which, it must be admitted, is in the interest of all the other experimental farms in Canada.

Mr. MOTHERWELL: That is it.

Mr. EDWARDS (Frontenac): And the area is entirely too small, in my judgment.

Mr. MOTHERWELL: Hear, hear.

Mr. EDWARDS (Frontenac): I do not know whether or not my information is correct, but I have been told that there is one block of land adjacent to the farm, of about 200 acres I think, which is being held at $600 per acre, and that the government is negotiating for the purchase of this particular block. I have also been informed that there is another farm, also close to the experimental farm, and of about the size and the same character of soil, which can be obtained for $200 an acre. I do not know whether or not these rumours are well founded, but I do think that the area of the farm here should be increased. Of course if the land can be obtained for $200 per acre it would be foolish to buy it for $600, even though some warm personal friend owned it. I have had the privilege of visiting pretty nearly all the experimental farms throughout the Dominion, and I believe they are doing a good work. I believe also that the work can be improved, and doubtless will be in years to come, as, under proper guidance, these farms make use of advanced scientific methods. Again let me remind hon. members of the house who advocate experimental farms or stations for their own particular district or province not to lose sight of the special scientific work, chemical and otherwise, which is being carried on here at Ottawa and under very cramped conditions.

Mr. MOTHERWELL: In reply to my hon. friend I may say that Mr. Booth is asking $600 an acre for 321 acres, which will amount roughly to $190,000, but I am disposed to think further in the matter before acting. Not but what the land is worth the amount asked, but in order to afford satisfaction to all parties, especially the taxpayers, I think the matter should be submitted to the exchequer court in order to get a valuation.

Mr. BENNETT: By expropriation?

Mr. MOTHERWELL: Yes. We have prices on three or four areas adjoining the Booth farm, submitted by the owners, and these will constitute, I presume, a basis for valuation if it is necessary to take the matter to the courts. We have tried to get a satisfactory adjustment with Mr. Booth, but before I should feel justified in paying $600 I think the fair thing to do would be to refer the question to the exchequer court.

Mr. EDWARDS (Frontenac): What about asking prices on the other farms?

Mr. MOTHERWELL: They run from $300 to $450.

Mr. EDWARDS (Frontenac): How do they compare as regards suitability?

Mr. MOTHERWELL: Some of them are excellent, but they do not begin to compare with the Booth farm for proximity, convenience and general suitability.

Mr. EDWARDS (Frontenac): You have some pretty good land in the experimental farm as it now stands. I do not know, but it seems to me that it might be worth considering whether in an experimental farm you should get the very best soil on the face of the earth or whether, on the contrary, it would not be advisable sometimes to carry on your experiments on average soil.

Mr. MOTHERWELL: That is what the Booth farm is.

Mr. EDWARDS (Frontenac): If the Booth farm is average then the others are under average.

Mr. MOTHERWELL: The Caldwell farm, between the two highways, is on the whole heavier and more productive land; it is above the average in the neighbouring country. The Booth farm is nearer the average of the adjacent lands which it would be intended to serve.

Mr. ADSHEAD: The minister remarked that a man going in for agriculture should not count the cost; he should just work away without giving any consideration to that question. The minister touches a very vital point when he makes this statement. If you look at the manufacturing industry you find that one of the first things they do is to count the cost. They take into consideration capital

expenditure and all expenses in connection with operation, and then they go to the utilities commission or some other commission and, getting their cost recognized at the figure they quote, they fix a profit of eight or ten per cent over and above that, and then a tariff on top of all that lest the industry fail. Now if a man is going into the business of agriculture why should not his calculations be made upon exactly the same basis? We have been talking about agricultural fairs. Perhaps I might mention that in the town of Olds, Alberta, in the constituency from which my hon. friend (Mr. Speakman) comes, they have induced a number of students to attend the agricultural college; and so keen is the interest which these young men are taking in their studies that it has been found necessary to increase the dormitory accommodation this year from one hundred to two hundred and fifty students. These young men are filled with delight at the prospect of taking up agriculture. They are taught everything that relates to the industry and are acquiring a love for the country. In my judgment there could be nothing more tragic than to have these prospective farmers, on leaving college with a roseate picture of farm life, disillusioned when they have to face the actual facts of farming as it is carried on in the country. The finer things in connection with farming have been expatiated upon to-day, but it would be a sad thing to see these young men, after taking up farms, drift away into the cities bankrupt because of their inability to meet expenses. The department should take these facts into account and have agriculture placed on the same basis as industry.

Miss MACPHAIL: It is all too true that practical farmers are contemptuous of scientific methods, but a great many farmers are coming to the conclusion that this is an unsound policy. It is not wise, and they are coming to realize the benefits of experiment and of the application of scientific principles to the carrying on of their business. But when the practical farmers of Ontario read that the department is contemplating paying $600 an acre for an extension to the experimental farm in Ottawa they will naturally want to know whether the department also contemplates an experiment to prove that anyone can make a living paying such prices for land. At once they will say that there is something wrong with the purchase: either the minister and his advisers do not know the value of land, or the man from whom they bought it is a tool of the government, or something else equally nasty. If experiments can be carried on in other parts of Canada as well as in Ottawa, surely it would be wiser to buy land which is not so close to the city; for $600 an acre is not the value of farm land. Such a purchase only lays scientific agricultural experiments open to the contempt of the practical farmer, and this is the feeling that generally prevails. As the hon. member (Mr. Adshead) says, boys who are attending agricultural schools are taught scientific methods, and they will have to apply those methods under practical conditions. The minister said something true when he suggested that there was no need to count the cost. The farmers have to work almost from the time they are born until they die, and if they are lucky they will be buried.

Mr. MOTHERWELL: I can assure my hon. friend that the owner of the Booth farm is not in league with the government.

Miss MACPHAIL: I did not say so; I said you might lay yourself open to the charge.

Mr. MOTHERWELL: That is one of the alternatives; either we do not know the price of land or we are in league with someone. I have had two or three conversations with this gentleman and I do not blame him for trying to get all he can out of the government. That is a common practice. On the other hand, it is my business to protect the treasury, and that is one reason why I say I should not be the one to determine the question on behalf of the government. The exchequer court is the proper authority. I do not want to go to my hon. friend's constituency afterwards and have it said that it was I who paid $600. The fair way to settle the matter is to let the exchequer court, with all the evidence before it in regard to the value of adjoining lands, adjudicate and decide the amount.

Mr. BENNETT: The responsibility for the selection of the site would be yours.

Mr. MOTHERWELL: As regards the comment I made respecting the cost of clearing land, I wonder how many gentlemen in this house who have cleaned heavy timber land would have jumped joyfully into the work if they had calmly contemplated the cost. I do not want to terrify anybody, and while I am aware of the biblical injunction to sit down and figure out the cost, I think that applies rather to building a house than to clearing land. I take off my hat to the old pioneer settlers of Canada, those of the maritime provinces and of Ontario, Quebec and British Columbia, who had to establish

farms in heavily wooded lands. I do not fancy that they sat down and calculated the cost, because they had no cash to start with. They built up their farms by their strong right arm, working hard from early morn till dewy eve.

Mr. BENNETT: They did not pay $600 an acre.

Mr. MOTHERWELL: Nor were there any high-powered tractors or donkey engines to take out the stumps in those days; they had to do it themselves. Many farms I know of were originally cleared by means of a two-year old steer at the short end of the yoke and a fourteen-year old boy at the other.

Mr. ADSHEAD: Would the minister like a boy of his to be at one end of the yoke?

Mr. MOTHERWELL: Yes, if necessary, and I should be proud to think that he was capable of it.

Some hon. MEMBERS: Oh, oh!

Mr. MOTHERWELL: There is no "oh, oh!" about it. What would they have done in the old days when they were on part ration from the British government and had to use every device they could think of in order to be self-sustaining? If one boy would not do I would put two on. I am talking about conditions one hundred years ago; I am not advocating this method to-day.

Mr. VALLANCE: The hon. member for East Calgary has asked a question about counting the cost. I would ask him, as a pioneer I understand in western Canada. just how many would have pioneered in that country if they had counted the cost. Those of us who pioneered did not count the cost in dollars and cents, and some of us are probably living to-day to see the harvest reaped from those early efforts of ours.

Now that this estimate is up I feel I should be remiss in my duty if I were not to mention that in my constituency we have an experimental farm. It was established some years ago. I was one of the early pioneers in that country, and I am sure that the assistance it has given to the farmers in that section of the country cannot be measured in dollars and cents. When the great western plains were opened, particularly that part known as the Tramping lake country, extending between the northern and southern Saskatchewan rivers, the territory was wholly new and we had to experiment. It has been repeatedly said during this discussion that the farmer cannot afford to experiment, but I must say that we were greatly pleased when the Scott experimental farm was established, demonstrating to us not only the kinds of grains we should grow, but also the varieties of fruits and trees that were best suited to that area. On the first of July, as is our custom, we had a field day at the Scott experimental farm, and I am not exaggerating when I say that there were seven thousand people gathered there. Almost any day in the summer, and particularly on Sundays, if you visit that farm you will find people there from as far south as Kindersley and Rosetown, as well as from a great distance to the west and north. I hope that this estimate will be approved by the committee.

I have a great deal of sympathy with the hon. member for Skeena because the country in which I pioneered twenty-two years ago was then in the same condition as the area for which he is pleading to-day. I think it behooves this or any other government in Canada to establish experimental farms or stations as circumstances warrant in any large section such as the Skeena country, and the government should be encouraged to do so.

Mr. TOLMIE: I have been very much interested in the recital of the early experiences of the Minister of Agriculture in Saskatchewan. With a two-year old steer at one end of the plough and the Minister of Agriculture at the other, I should have thought it would have been a very pertinent question to ask, which is the bull?

I have been rather impressed with what has been said concerning the central experimental farm and the purchase of high priced lands. In considering the situation we must be careful to remember that the overhead expense is on the central farm already, and if you buy land for one hundred or two hundred dollars an acre situated at some distance from headquarters, it is eventually going to cost you just as much as to buy land near the farm for five or six hundred dollars an acre, when you take into account new buildings and the great loss of time through running back and forth between the central farm and the new purchase.

Another point that I would stress is that an experimental farm can never be in the ordinary commercial sense a profitable farm. The profit from an experimental farm is lying in the files and records of experiments which have been completed by these farms, and in the information which has been printed and distributed for the use of farmers throughout the country. Everyone must realize that when you are farming on a plot of one-fortieth of an acre, with the large

amount of handwork and labour necessary under those conditions, you can never hope to make that farm a commercial success.

The statement has been made that the cost of clearing land in British Columbia would be $500 an acre if you wanted to establish an experimental farm there. I cannot allow that statement to go unchallenged. I pointed out a little earlier in the afternoon that British Columbia is an immense country, with varying conditions. In some places the timber is very heavy; in other places it would hardly be necessary to do any clearing at all. It is true there is not much land of the latter kind, but in the dry belt there are many areas that can be ploughed with comparatively little work, and that would be principally the removal of stone and brush. However, with regard to the big problems in connection with land clearing in British Columbia, we feel that one of the most important is that of making use of the waste material which remains on the ground after our high lead system of logging has removed the commercial timber from the land. That is a problem which I think the research council should investigate very carefully to see if we cannot get some revenue from the use of these waste products through the development of salable by-products of various kinds. Scientists have informed me that there are excellent chances for development along these lines. In clearing land in British Columbia in the ordinary farming sense—at all events if there is a Scotchman at the helm—the land first cleared is that which is most easily cleared. You get the slash off your land and sell the timber for what you can get; then after you have done the burning you at once seed the land down, and you find that grass easily takes hold with the little dressing of potash that there is in the ashes left on the surface. Then you graze it with sheep or goats, which will eat off the grass and the young willow sprouts so that the willows will not grow up again; and when the stumps begin to rot, you commence your land clearing as opportunity offers. You can begin to take your stumps out at the end of eighteen months or two years, using either powder or stumping machines, whichever is the cheaper. There is a great variety of land out there, and some of it will cost from forty to fifty dollars an acre to clear, under the conditions I have described.

Mr. MOTHERWELL: I am afraid that unless I make a further remark about pioneering a wrong impression may be left in the minds of those who are listening to this discussion or who read the report. In order to counteract the shock which the hon. member for Bow River got at the thought of human labour being used in the way I have described, and to satisfy the curiosity of the hon. member (Mr. Tolmie) as to who was the fourteen-year old boy, let me say that I was speaking of conditions in Ontario one hundred years ago, and I do not think you will figure that I was very much in evidence at that time. So far as counting the cost is concerned, whether it be in labour and privation either in the east or on the prairie, there is no one that I know of who has the real farming or home-building instinct who does not feel that all the labour and hardships were worth while once he experiences the joy of owning his own land and of having his own roof over his head.

Mr. McQUARRIE: May I suggest that though the minister may not be one hundred years old he may be one hundred years behind the times.

Mr. MOTHERWELL: That is the contribution of the hon. member for New Westminster.

Mr. MacLEAN (Prince): Apparently this is a field day for the farmers; and as we have heard from every other province in the Dominion I think I might say a word in regard to Prince Edward Island. I wish to speak in favour of these experimental plots. In my county I think we have three of them, and they have proved very successful and very beneficial. I wish to refer for a moment to the experimental farm or station in connection with the fox industry at Summerside. I think the minister has just said that that experimental station cost around $14,000 a year. To my mind there is no better expenditure of public money in the Dominion than that incurred in connection with that experimental station. Last year it was estimated that the silver fox trade from Prince Edward Island alone, including live foxes and furs, amounted to something over $3,000,000, and when you apply that to the whole Dominion you have some idea of what the silver fox business means to this country. It is regrettable that the people of Canada are not engaging in that industry to a greater extent than they are. The people of the European countries are going in for it very strongly. This year we had hundreds of buyers from European countries, especially from Norway, who bought large quantities of the best of our breeding stock and took them over to Europe. The experimental station at Summerside is doing excellent work. The breeders contributed a large number of the foxes to that station; the

government did not have to buy them, and the work is being carried on by Doctor Ennis Smith, formerly of Ottawa. The information published in the bulletin Doctor Smith is getting out will be of great benefit to breeders.

I wish to ask the minister a question in connection with the work at the central experimental farm in the matter of clover which will withstand the winter climate of eastern Canada. One of the greatest difficulties the farmers in Prince Edward Island meet is to get a clover which will carry through the winter and from which they can expect to get a second crop. At this farm in Ottawa a few years ago I was shown a plot which I was informed had been in clover for seven years, and it was still producing a splendid crop. I should like to know if any advances have been made in that direction and if the minister has any information which he can give us along that line. It is an important question to our people; if we can get a clover which will give us two or three crops it will be a great advantage and a great help to us. At present we sow clover seed very extensively; we get a crop one year, but in another year it is gone.

Item agreed to.

Health of animals—administration of the Animal Contagious Diseases Act and Meat and Canned Foods Act, and necessary buildings, $2,270,000.

An hon. MEMBER: Carried.

Mr. GARLAND (Bow River): Not by a jugful. I will ask the minister to allow this item to stand. There are some orders for returns to be brought down shortly which will give us information in this connection.

Item stands.

Entomology, $25,000.

Mr. MOTHERWELL: This is for the office at Ottawa.

Mr. ADSHEAD: How many experts are engaged by the Department of Agriculture, and are they from Alberta university, or where are they from?

Mr. MOTHERWELL: This vote is for the office at Ottawa. We should be willing to provide an escort and take anybody there.

Mr. ADSHEAD: I want to know how many experts are engaged.

Mr. MOTHERWELL: The head of the branch is Mr. Gibson, and the next in command is Doctor Swaine; I will give the names of the others later. The next vote deals with the entomologists employed in the branch. This vote is for supplies for the office, specimens of insects, and equipment to improve the sight. You will have to have very much improved eyesight to identify these small insects.

Mr. ADSHEAD: Are the men engaged there from Canadian universities?

Mr. MOTHERWELL: About twelve or thirteen.

Item agreed to.

Administration of Destructive Insect and Pest Act, and necessary buildings, $500,000.

Mr. TOLMIE: We have an increase here of $57,000. What is that for?

Mr. MOTHERWELL: Well, there is an increase in the work all along the line in the various laboratories and a very considerable increase is due to the flat rate increase to the staff of $120. That takes quite a bit of it. Then take the root rot question in the west, the new insect pests and new enemies all along the line, which increase the necessity of preparing to fight them.

Mr. TOLMIE: Does that necessitate the employment of some new men?

Mr. MOTHERWELL: It will necessitate engaging some new men.

Mr. TOLMIE: How many?

Mr. MOTHERWELL: We have just decided to establish a new staff, one man being already engaged, and we have already secured one of them at the university at Edmonton. The Hon. Mr. Hoadley of Alberta has drawn my attention to the fact—and I have been aware of it myself for about eight years—that one of the species of root rot is making considerable headway in northern Saskatchewan and Alberta. We have done a good good deal of work, but it is now developing into a very potent enemy. It lives in the soil and there is no way of killing it except by sterilizing the soil, which would be impossible without a laboratory equipment. That has been supplied by the Alberta university, and we are going to provide the men. We hope to carry out a working arrangement with Alberta similar to that which we entered into with the Manitoba government with respect to the rust laboratory in Winnipeg. We put up the building, and the provincial government supplied the land, power, heat and water.

Mr. MILLAR: What plants are attacked by the root rot?

Mr. MOTHERWELL: Cereals and a certain number of our native grasses. It is not known whether the disease was imported from

Europe or is to some extent indigenous to the prairies. I do not think it has been prevalent in the open prairie country. It was noticed first in northern Manitoba, and seems to have spread westward to the northern part of Saskatchewan and Alberta. It is not now so noticeable in northern Manitoba.

Mr. ADSHEAD: How many of the employees in these laboratories are graduates of Canadian universities?

Mr. MOTHERWELL: I understand that with the exception of one in the city of Ottawa they are all Canadians.

Mr. LUCAS: What progress is being made in the prevention of rust?

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

RAILWAY ACT AMENDMENT

SPECIAL RATES ON COAL

The house resumed from February 14, consideration of the motion of Mr. Church for the second reading of Bill No. 26, to amend the Railway Act.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I gave my undertaking to the hon. member moving the second reading of this bill that it would not be proceeded with in his absence. Now I understand that a motion of this kind cannot be allowed to stand. I made that agreement in ignorance of that rule, and I am sorry, but I hope the bill will not lose its place on the order paper. I think I had the floor when the house rose on the previous occasion, and in order to keep this item in its proper place I will move the adjournment of the debate.

Motion agreed to and debate adjourned.

MINISTERS OF THE CROWN

BILL TO OBVIATE NECESSITY OF RE-ELECTION UPON ACCEPTANCE OF OFFICE

Mr. P. F. CASGRAIN (for Mr. Jacobs) moved the second reading of Bill No. 28, to remove the necessity of the re-election of members of the House of Commons of Canada on acceptance of office.

[Mr. Motherwell.]

He said: In the absence of the hon. member who is sponsoring this bill I should like it understood that if the bill would have to be dropped on account of his absence I would rather have it proceeded with and sent to the committee on privileges and elections.

Mr. LAPOINTE: I do not oppose the second reading of the bill, on the understanding that it will go to the committee on privileges and elections.

Motion agreed to, bill read the second time and referred to the select standing committee on privileges and elections.

RAILWAY ACT AMENDMENT

RETURN TICKETS

Mr. P. F. CASGRAIN (for Mr. Jacobs) moved the second reading of Bill No. 29, to amend the Railway Act.

He said: In the absence of the hon. member I move that this bill be referred to the select standing committee on railways, canals and telegraph lines.

Mr. BENNETT: I would rather have it stand.

Mr. DUNNING: It is understood that the motion stands, and that the bill is not dropped from the order paper?

Mr. BENNETT: No, it stands.

Motion stands.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committe of supply, Mr. Johnston in the chair.

Public Buildings—Nova Scotia—	
Halifax—immigration building—payment to department of Railways and Canals for accommodation.. ..	$25,000
Halifax—repairs to buildings and wharves at R.C.N. barracks and H.M.C. dockyard..	45,000
Halifax—Rockhead hospital—repairs and improvements..	5,700
North Sydney public building—addition..	7,500
Truro—tractor for postal purposes..	1,300
	$84,500

Mr. CANTLEY: I should like to call the attention of the minister to the fact that the first two items appearing in this vote are simply interdepartmental accounts, and the only amount which he proposes to expend for public buildings in the whole province of Nova Scotia is $7,500 to complete or make a small addition to a public building at North Sydney. Last year the sum total for new buildings in

that province was about $6,000. I submit that in view of the large votes for public buildings in other provinces, most of which I take it are fully justified, Nova Scotia is getting much less than justice.

Hon. J. C. ELLIOTT (Minister of Public Works): There is no information, I take it, that my hon. friend requires in regard to this vote. The amount is practically the same as last year—there is a light increase.

Mr. BENNETT: The hon. member says that the first two items in the vote are inter-departmental accounts. Is that so?

Mr. ELLIOTT: They are very largely departmental.

Mr. ERNST: I would remind the minister that I pointed out to him last year that in the estimates for 1926 there was a vote of $10,000 for a post office at Mahone Bay. That item was not included in the estimates for last year, and the minister gave me many ingenious and conflicting reasons why it was not included. I wonder if he could tell me why it has not been found necessary to revote that money this year.

Mr. ELLIOTT: I am afraid I cannot add anything to what I said to my genial friend last year. The condition of things is much the same as it was a year ago.

Mr. ERNST: Apparently it is going to stay that way.

Mr. ADSHEAD: Why is the tractor required for postal purposes at Truro not charged to the Post Office department?

Mr. ELLIOTT: That department makes the request to the Department of Public Works for a tractor to carry the mail back and forth, and we supply it.

Mr. ADSHEAD: Why should it not be charged to the Post Office department?

Mr. ELLIOTT: Apparently everybody comes to the Department of Public Works.

Mr. ERNST: I should like to ask the minister definitely if the administration has concluded that the expenditure at Mahone Bay will not be made. Has the administration definitely abandoned the idea of erecting a public building there?

Mr. ELLIOTT: Perhaps I should say to my hon. friend that Mahone Bay is in the same situation as a number of other places as to which similarly urgent requests have been made none of which are included in these estimates. By that statement I do not mean to say that these works are definitely abandoned. They will receive consideration just as soon as it is possible to get the money to carry out the work.

Mr. ERNST: Will the minister not tell me why that work is not necessary now if it was necessary in 1926? Business has expanded since then and the Minister of Finance has spoken about a handsome surplus this year. If in the state of public finances in 1926 the work in question was necessary, why is it not necessary this year?

Mr. ELLIOTT: Apparently there are more urgent needs now to provide for the increased business of the country than there were in 1926. That is the best explanation I can give my hon. friend. In the opinion of the departmental officials, from the reports we get other works are really more urgently required in order to facilitate the carrying on of the business of the country. I think that is all I can say.

Mr. QUINN: Is that a reasonable excuse to give the committee in face of the fact that there is an increase of $15,000 over the previous year for repairs to the royal Canadian naval barracks and wharves in the dockyard at Halifax, although we have no navy?

Mr. BENNETT: There is a principle involved in this matter. An appropriation was made in 1926 for a building at Mahone Bay. Obviously that money would not have been placed in the estimates had it not been required for the public service. I know that with respect to certain western appropriations the war necessitated their being withdrawn and dropped, and a change of government has prevented their ever finding a place in the appropriations since. But here you have a public building that in the opinion of the then government—and the same government is in office to-day—was a necessity. The item for that public building is now dropped, and I think this house has a right to know exactly why it is dropped. If it is for political reasons, say so and be done with it. If it was in order that when the election came on you might have all your votes for public buildings that year for the purpose of influencing public opinion, as has been done in the past, let it be admitted. Let there be frankness in this matter; let us know exactly why this appropriation has been dropped. I think it is not an unfair thing for the committee to know the reason.

Mr. ELLIOTT: I am perfectly willing to answer any question asked by my hon. friend, or by any other hon. member opposite. I would call my hon. friend's attention to this very vote, No. 123, and ask him to tell the committee whether he really thinks these particular estimates for Nova Scotia were prepared with a view to meeting political exigencies, when the fact is that there is in the estimates not a vote in favour of that province so far as any of the ridings represented by members on the government side are concerned. If he will look over the list I think he will come to the conclusion that anything but political expediency has actuated the preparation of the estimates. As regards Mahone Bay, I may observe that I have heard of the place before; I heard about it last year and I shall probably hear more about it again. I do not object to that; it is quite within the rights of my hon. friends to refer to it. But in the opinion of the department the needs of other places are more pressing at the present time than those at Mahone. I cannot add anything to this statement.

Mr. BENNETT: I direct the attention of the minister to the fact that the appropriation in question was apparently required in the public interests in 1926. A gentleman named Duff was defeated in that constituency in the election of that year, and he has stated that upon his having so requested the item was dropped from the estimates. That is the reason he gave last year for its having been abandoned. Now, is the public service of this country to be thus conducted? That is the question that this house has a right to have satisfactorily answered. Is the hon. gentleman who now represents Antigonish-Guysborough (Mr. Duff), and who stated in this house that he advised that the vote be withdrawn from the estimates, to determine whether the community affected shall or shall not be given a public building? The country has a right to know, and I submit that the minister should give the committee an explanation.

Mr. LAPOINTE: My hon. friend is making a slight mistake when he says that this vote was included in the estimates by the government now in office. He will remember that between the government of that day and the present administration there was another government which held office for three months.

Mr. BENNETT: But they brought in no estimates.

[Mr. Bennett.]

Mr. LAPOINTE: I would point out that the Minister of Public Works at that time was not the present minister, and the two might have had different ideas regarding the necessity for a public building there.

Mr. BENNETT: We are entitled to something better than that.

Mr. HOCKEN: According to the minister, it does not depend upon the change in ministers but upon the change of opinion on the part of departmental officials. What brought about that change?

Mr. McNUTT: Will the minister explain the item, "Truro—tractor for postal purposes, $1,300."?

Mr. ELLIOTT: This vote is to provide for the installation of a tractor at the railway station. The request comes from the deputy postmaster general, and the object is to facilitate the transportation of mails. It is the kind of tractor usually used for this purpose.

Mr. MacNUTT: I am glad to learn from the minister that the postal business of Truro is growing so rapidly as to necessitate the use of a tractor for the moving of mails. This brings up the question of the post office building at that point, which was erected some forty-four or forty-five years ago. At that time the population of the town was about three thousand; to-day it is approximately three times three thousand. Every effort has been made in recent years to provide a suitable building for the requirements of the people in Truro, and about 1912 or 1913 the department sent down an architect named Mr. Rankin to look over the situation. After several days spent there he worked out a plan which he presented to the government with an estimate of the cost of remodelling the building, but after considering the question the government decided that it would not pay to remodel it. It was felt that the cost would be too high and that even with the proposed remodelling the town would still have an old building. The building to-day is in very bad condition, and the cost being paid upon the repairs year after year would almost cover the interest charges on a new structure. I regret to tell the house that the site which was purchased for the new building in that town in 1914 for $17,000 had been sold at a loss to the country of nearly $10,000—$9,200 to be exact. As happened in other places during recent years there was a considerable decline in real estate values there, but nothing to warrant the lot being sold at such a loss. It seems to me that,

in view of the many promises which the town has received for the construction of a new post office building, it is not very creditable to the government that this ideal lot—in fact, the most suitable lot—should have been sold at such a loss. I regret exceedingly that there is no mention whatever in these estimates of any proposal for a new building in the town of Truro. The minister may depend upon it that the day is not very far distant when a new post office building will have to be erected there. I repeat, it is a disgrace that the country has lost almost $10,000 on the magnificent lot which was acquired for the promised building.

Mr. JOHNSTONE: Is the $7,500 for the North Sydney public building for additional work, or is it for repairs?

Mr. ELLIOTT: It is an addition.

Mr. GUTHRIE: Returning to Mahone Bay, I think a frank explanation should be given the committee; ministerial sidestepping of the question is not altogether the thing for us. The Minister of Public Works has the advantage now of having his deputy beside him. Will he tell us on whose advice the estimate of 1926 was prepared? What officer of the department recommended the construction of the building, and what officer of the department recommended the withdrawal of the item? It is within the recollection of a good many in this house that during last session the hon. member for Antigonish-Guysborough informed the committee that the vote had been struck out on his advice. And he happened to be the defeated candidate for the constituency of Queens-Lunenburg. Why was the building not necessary after his defeat if it was necessary before the election? That estimate was passed in the spring of 1926, when the government of the present Prime Minister (Mr. Mackenzie King) was in power. True, the personnel of the government has changed in the interval, but the government in power to-day is to all intents and purposes the same. If in the judgment of the government of that day it was necessary to construct the building in 1926, what has taken place in the interval to cause the government to change its view? And if it did change its view, as obviously it has done, on whose advice did it do so? The committee is entitled to know.

Mr. ELLIOTT: Of course there have been a great many changes since 1926. In regard to this item I should be very glad to obtain for my hon. friend any information which is in the departmental files. The information we have here relates only to the items that are in the estimates. My hon. friend will readily understand in view of the large number of post offices and harbours throughout the country that one cannot bear in mind all the things relating to these post offices and harbours that are not mentioned in the estimates. I remember the discussion last year. All I can say to my hon. friend is that the situation is no different now from what it was when this house last year decided that the reasons then given were perhaps the best that could be given as to why an item was not included at that time. I should think that the point of my hon. friend's suggestion—it is more than a suggestion; it is almost a statement—that this has been omitted for political reasons is completely answered when you see that there is no provision made in the estimates for any post offices in the province of Nova Scotia in any ridings represented by Liberals.

Mr. GUTHRIE: There were in 1926 prior to the election.

Mr. ELLIOTT: I was not in the department at that time.

Mr. HOCKEN: That does not answer the question at all. Why not ask the deputy?

Mr. ERNST: If the minister was at all familiar with the situation in Mahone Bay in 1926 he would have realized that a vote was included in the estimates that year because there was a pressing need in the community. The present building is entirely inadequate. It is small, cramped, in fact it is unsightly, and it is in one of the prettiest little country towns in Nova Scotia. The reasons which made this expenditure necessary in 1926 are even more cogent to-day. I should like to know from the minister if the statement made by the hon. member for Antigonish-Guysborough last year was correct, that he had that item withdrawn from the estimates. If he is unable to answer, I suggest that the items stand until he gets the information.

Mr. ELLIOTT: I do not think I had an interview with the hon. member for Antigonish-Guysborough while these estimates were being prepared.

Mr. ERNST: I was referring to last year's estimates.

Mr. ELLIOTT: That is a year further away, and perhaps my recollection does not serve me quite so well. What my hon. friend says about the building being worse now than it was two years ago does not apply only to the post office at Mahone Bay. The same

is true of a number of post offices from one end of this country to the other; it is true with regard to a number of post offices down in Nova Scotia, places at which post offices are not being provided for in these estimates.

Mr. ERNST: I think the minister should answer the question. I do not know whether he is in a position to contradict or affirm the statement made by the hon. member for Antigonish-Guysborough. I suggest that the item stand until some better explanation can be given.

Mr. ELLIOTT: May I call attention to the fact, Mr. Chairman, that we are not now voting on an item for Mahone Bay? That is not before the committee.

Mr. ERNST: We are voting on the estimates for public buildngs for the province of Nova Scotia, and I am suggesting that such an item should be there.

Mr. IRVINE: I personally would like very much to hear the minister answer that question. Of course I have often heard such charges as are being made here to-night, and have put them down as political talk, but I should like to know what are the facts in regard to this matter. Is it true what the hon. member says? I think the minister might well give an answer.

Mr. BENNETT: The minister has said that by looking at the estimates one would at once realize that political considerations did not influence the government in the preparation of the estimates for Nova Scotia. Knowing what we do with respect to certain public expenditures contemplated in Halifax, we have not the least doubt that the minister for that province is responsible for these estimates, and we do know that nothing is in the estimates at this time for Nova Scotia, but at the appropriate moment there may be sums available in order to secure the votes of the electorate of that province when election time comes round. There is no question about that at all. We have it in relation to what took place in Halifax not long since, and I say that it is high time that the provinces should not be deprived of their due portion of public moneys for public services required in order that those sums may be put in the estimates at the fitting moment for the purpose of influencing public opinion at the time of an election.

Mr. STEWART (Edmonton): Surely my hon. friend does not suggest, and surely no hon. member from Nova Scotia would entertain the belief, that any expenditures made by the government in the great port and city of Halifax would be made for political purposes? Surely not.

Mr. BENNETT: Surely not? I happen to know the hon. gentleman's history in that regard in his own province, and it is so nearly alike to what I suggested a moment ago that there is no doubt at all that at the appropriate time the discussion with respect to expenditures in Halifax, which are not these expenditures at all, will come before the house, and I say that the same directing mind that desired to prevent and that did prevent, expenditures there is responsible for there being no provision for public expenditure in Nova Scotia in the estimates at this time. I say it is not fitting that the province should thus be deprived of public moneys necessary for carrying on the public services.

Mr. DUNNING: There is an item occupying a full page of estimates for Nova Scotia.

Mr. BENNETT: That is under harbours and rivers; I am not discussing those particular expenditures. It is the "harbours and rivers" touch this year, you see; it may be dredging next. My hon. friend seems to understand the allusion. The point I desire to make is this: Having regard to what did transpire, and to this expenditure for harbours and rivers, about which there is a singular history in Nova Scotia—is the Minister of the Interior familiar with that history?

Mr. STEWART (Edmonton): I have voted a lot of estimates for Nova Scotia.

Mr. BENNETT: For harbours and rivers?

Mr. STEWART (Edmonton): Yes, and dry docks.

Mr. BENNETT: I think the item should stand because this is the only occasion upon which an opportunity will arise for the discussion of the question of public buildings in Nova Scotia. That question is limited to this one item, No. 123; that is all the public buildings there are for Nova Scotia. With respect to New Brunswick the policy seems to be very clear, that dredging, not being very spectacular, will be done this year, but when you come to Quebec and Ontario and the other provinces you will find quite a number of items for public buildings. For instance, I see an item of $15,000 to finish a public building at Wainwright. The Minister of the Interior might be able to explain that.

Mr. STEWART (Edmonton): I am quite ready.

Mr. BENNETT: Saskatchewan stands in much the same position. Certain buildings there have been started and have to be finished. It is the same with respect to Manitoba. In Quebec there are a considerable number, in Montreal alone quite a number of items, involving large sums of money. The minister realizes that that is so, but the item we are discussing is the only one with respect to public buildings in Nova Scotia, and I certainly desire to know what has been done by the province of Nova Scotia that it should be penalized because in the exercise of a sound discretion it did not see fit to yield to the views that were pressed upon it by the Minister of National Defence. Surely you cannot penalize a province for not taking bad advice, if the Minister of Justice suggests that that is what should be done. I say no; they should be rewarded.

Mr. LAPOINTE: I would not penalize them, I think they suffer enough by the representation they have.

Mr. BENNETT: It is a singular thing that that is exactly what the electors of Halifax thought when they rejected the Minister of National Defence. I do think the minister must be fair with this committee and tell us what were the guiding principles which led to Mahone Bay, with all its requirements, being denied the post office which the Prime Minister said the government accepted the responsibility for. The utterances of the hon. member, whose classic smile we are all delighted to see in this house, whether he is edifying us with an account of the wrongs of the auditor general or the advantages of doing dredging work at the proper season in Nova Scotia—these are a matter of profound indifference. But I do submit that the minister should give us some explanation.

Mr. DUFF: I am sure we are all pleased to see that the hon. member is taking an interest in an item of $10,000 which was dropped from the estimates last year in regard to public works in Nova Scotia. He seems to think there was some political influence brought to bear when this item was dropped. That is quite true, and perhaps if I give the house the reason why it was dropped the leader of the opposition will be satisfied. I might say that when I asked the previous Minister of Public Works to include in the estimates an amount for the building at Mahone Bay politics was furthest from my thoughts.

Some hon. MEMBERS: Carried.

Mr. DUFF: Hon. members are saying "carried" because they do not want to hear the explanation. But after I had worked two years with the Minister of Public Works to get the item in the estimates and the announcement was made to the world that such an amount had been provided for, the very gentlemen who said I was playing politics were the father and the brother of the hon. member for Queens-Lunenburg. Consequently when I found that politics were being played I advised the minister—I do not know whether or not he took my advice—to drop the item; because, Mr. Chairman, as I said a moment ago, I did not have politics in my mind when I asked for it. I did not want politics to interfere, and when my hon. friend said I was playing politics and the post office would never be built, I thought it my duty to tell the Minister of Public Works, the architect and everybody else that the building at the present time was not necessary.

Mr. HAY: It seems to me this would be an opportune time for us to take counsel together in regard to the expenditure of public money in Nova Scotia or in any other province where the amount is only $10,000 for a public building. I know nothing about the amount that was dropped from the estimates, but if only $10,000 is required, if that is all that locality needs, it would be well for us here and now to scrutinize all such amounts for public buildings in Canada. There is hardly any way of ascertaining what may have been in the mind of the hon. member or of the government, but we ought to recognize that the appropriating of public money for the purpose of getting votes is a delusion. My hon. friends across the way laugh, because they have been guilty, as perhaps another party may have been guilty, of voting public money for public buildings where their candidates were more often defeated than elected, and I think rightly so. Public money ought to be wisely voted and wisely expended. We all recognize that in our own municipalities we desire public money to be spent and large buildings erected, thus creating a vast liability upon the country and the government. We have throughout Ontario—and I assume it is true in other provinces—buildings going to decay, buildings which are of no commercial use, of no commercial value, which ought to be sold to insurance companies. If they cannot be sold to those companies then they should be sold by public tender and auction, in order to reduce the overhead as far as the government is concerned. We have an opportunity of recognizing, I think, that the expenditure of public money is a matter that should be judiciously and carefully scrutinized, and we should also recognize that the expenditure of public

money where it is not necessary is not a vote-getter, but rather recoils against the parties who do that for the purpose of electing a candidate or promoting their interests in an election. Before spending money we should look into it as a business proposition, and knowing what has happened in these small communities we ought to rise to the occasion and spend public money only where it is requisite and necessary.

Mr. CANTLEY: Will the minister tell me what is intended to be done in regard to the building at New Glasgow which I spoke to him about? Is it the intention of the government to provide in the supplementary estimates of this year for the necessary alterations to that building?

Mr. ELLIOTT: I recollect the New Glasgow matter on account of the interviews I had with my hon. friend in regard to it, but there is no decision to make public expenditures this year other than those we are asking for in the estimates that are now before the house. I know of no decision in regard to any buildings other than those asked for here.

Mr. CANTLEY: May I remind the hon. minister that I had what I consider to be a distinct undertaking on his part that he would this year, in the preparation of his estimates, include an amount for that building and recommend it to council? Am I not correct in that?

Mr. ELLIOTT: I would not like to say to my hon. friend or to anybody else that anybody has had anything amounting to a definite undertaking from me since I have been in charge of this department to provide any building at any place. I remember the interview I had with my hon. friend. I recall very well the strong plea put forward, but I have no recollection of making any definite promise to him or to anyone else that what he asked for would be done.

Mr. CANTLEY: I think I can refresh the minister's memory when I point out that in his office after we had discussed this matter he stated that he would make a memorandum in regard to it, so that he would have next year a clear understanding and recollection of what we had discussed and what we had arrived at. I think if he will look in his office he will find that memorandum, and the statement I have made will, I am sure, be borne out by that memorandum. I ask him again to include in the supplementary estimates this year an amount sufficient to carry out the suggested alteration in that building. He is thoroughly aware, and so is his deputy, of the necessities of the case. The matter has been presented to him not only by myself but also by the Liberal candidate in the county and others who are thoroughly aware of the situation. It is not fair to treat the people of New Glasgow as he has been treating them during the last two years, and I appeal to him to do justice. I recollect very distinctly the interviews we had.

Mr. ELLIOTT: Mr. Chairman, while I do not claim to remember all the details of the situation, I recall very distinctly the interviews to which my hon. friend refers. I would remind him that the representations made to me with respect to the condition of the building at New Glasgow are not by any means more urgent or—shall I say?—pathetic than those which have been made on behalf of at least fifty other places throughout the country. There is a strong demand for public buildings to provide for post offices, customs and other public services. My hon. friend must recollect that I do not get anything like the money for this department that I ask the treasury board and the Minister of Finance for, but I can assure him that I shall be very glad to look up the memorandum and reconsider the requirements of New Glasgow along with those of other towns when these matters are receiving attention.

Mr. CANTLEY: We discussed this case last session, and at that time I thought the minister had committed himself; I think so still. There is not very much use in telling the committee that other towns are asking for public buildings; I am not interested in them at all. The fact is, the situation in New Glasgow is intolerable. The minister knows it, his officials know it. Two different plans were made and submitted, and then revised plans were made. All the facts are thoroughly well known to the department and to the minister, and again I ask him to implement what I understood to be the definite promise given by him to me last session.

Mr. ELLIOTT: What my hon. friend regards as a promise, Mr. Chairman, shows how dangerous it would be for me now or at any other time to say positively that anything will be done to carry out his request. I do not think he will go so far as to say that I have definitely promised to look after his requirements in respect of New Glasgow. Nor do I think that any hon. members on either side of the house will say that in regard to any of the representations they have made to me—and they have been fairly importunate—I have ever given a definite assur-

ance in their favour until the votes asked for appeared in the estimates. As I have already said, I have to convince the treasury board and council of the necessity for these expenditures before they can be passed, and sometimes I have trouble even after getting my estimates beyond that stage.

Mr. ERNST: I was much surprised at the admission of the hon. member for Antigonish-Guysborough (Mr. Duff) that he had prevailed on the minister in a moment—shall I say?—of weakness to agree to the item of $10,000 for Mahone Bay being dropped. But I was all the more surprised at his explanation of its disappearance inasmuch as last session he gave the house a somewhat different explanation—that the people of Mahone Bay had asked that this money be not put in the estimates. I took the trouble to trace that statement to its source, and found that if the people of Mahone Bay had given any such instructions they were narrowed down to a very small circle. I think the present statement, if traced, would be found to be equally without foundation.

Mr. DUFF: Mr. Chairman, I rise to a point of order. I made a certain statement about two persons who deliberately said I was playing politics in regard to this item, and I submit the hon. member is absolutely out of order in questioning my statement.

Mr. ERNST: I am not questioning the veracity of the hon. member for Antigonish-Guysborough, I am questioning the sources of his information—something entirely different. In regard to statements made by other people, unfortunately I cannot trace them all down myself, although I have knowledge of some of those people; consequently I think that when those statements are investigated it will be found that the hon. member has been misinformed. In view of the statement now made by him, Mr. Chairman, I should like to ask the Minister of Public Works if he approves of his conduct of the business of this country being so influenced—that whether or not a community is to get a post office depends on the dictation of one man. That is the question at issue. Is one man, because he has been annoyed, to be allowed to convince the minister that such public expenditure is not necessary? That is exactly what the hon. gentleman says he has done. I think the minister owes the committee an explanation.

Mr. EDWARDS (Frontenac): Explanation!

Some hon. MEMBERS: Carried.

Mr. SMITH (Cumberland): Mr. Chairman, before this item passes—

Mr. EDWARDS (Frontenac): Let the minister answer.

Mr. LAPOINTE: He has nothing to answer.

Mr. HOCKEN: If he cannot answer, his predecessor can.

Some hon. MEMBERS: Carried.

Mr. HOCKEN: The item is not carried.

Mr. SMITH (Cumberland): Mr. Chairman, last year I brought to the attention of the minister, and the year before to the attention of his predecessor, the deplorable and inadequate condition of the postal service in the town of Oxford, Nova Scotia. The Department of Public Works is fully aware, as is also the department of the Postmaster General, of the conditions existing there. The post office in Oxford is conducted in a shack. A plan has been submitted to the department showing the inadequate accommodation. Not only so, but resolutions have been passed by the town council and petitions have been presented by the ratepayers and the board of trade praying that some remedy be applied, and suitable premises be acquired. It seems to me that the post office service in all parts of Canada should be maintained at a certain standard at least. The standard of the postal service in Oxford is a disgrace to the Dominion. I brought this to the attention of the minister last session, and it is my purpose to do so every session until this condition of things is remedied. I would ask the Minister of Public Works to reconsider the statement he made to-night and include in the supplementary estimates a vote to provide at least decent postal accommodation for Oxford. I might point out that Oxford is a very important postal centre, a great many rural routes radiating from it. The people served by the post office at this important centre are entitled to better conditions. The population of the town is approximately 1,500, and the annual revenue of the post office is upwards of $5,000. If I mistake not, two or three years ago the Post Office Department, through some of its officials, recommended that better accommodation be provided at this point.

Mr. ELLIOTT: I shall be very glad to go into the matter carefully, but it is quite impossible for me to say at the moment what may be the outcome. We will give the hon. member's request the very best consideration that we are capable of.

Sir EUGENE FISET: While the minister seems to be so lavish in dealing with Nova

Scotia, I should like to remind him that there is in my county a small town, St. Fabien, with a population of three thousand, which needs a post office very badly. I hope when he is considering the demands coming from hon. gentlemen opposite he will not forget the county of Rimouski.

The CHAIRMAN: I think I should point out to the committee that under standing order 58, subsection 2, the rule is laid down that speeches in committee of the whole must be strictly relevant to the item or clause under consideration. The discussion with regard to this post office at Mahone Bay might have been taken up more properly under vote 125, but certainly when we start to talk about public buildings in another province the discussion is altogether out of order.

Sir EUGENE FISET: I am only afraid, sir, that by the time all these other requests receive consideration there will be no money left.

Mr. CANTLEY: I am not finished with the New Glasgow post office yet. That building was constructed about fifty years ago, at a time when the population of the town and the immediately surrounding country which it serves was very much less than it is to-day. The situation there is very acute, as the minister knows.

Some hon. MEMBERS: Order.

Mr. CANTLEY: Who is talking about order now? Last year plans were submitted to the minister; later, after discussion with his staff, revised plans were prepared and submitted to him; we discussed the whole situation on several separate occasions, and in the end I received, from the minister, as I said before, what I considered to be a definite gentleman's agreement that he would put in the estimates for the present year, and submit to and support before the treasury board, an amount sufficient for this work. I would ask him now if he did so.

Mr. LAPOINTE: That is secret; he cannot say that.

Mr. POULIOT: Shall we be able to make certain observations with regard to public buildings when the Quebec vote is reached?

The CHAIRMAN: Certainly.

Mr. EDWARDS (Frontenac): Just on the point of order, Mr. Chairman; I have no wish to oppose the ruling, but I would like to get it quite clearly in my mind that under this heading of public buildings it is only permissible to discuss those buildings already in Nova Scotia, or those which should be there.

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): I mean that literally. The discussion must not go beyond those buildings already there and other buildings which, in the opinion of members from that province, should be erected there. Is that right? A discussion of buildings in Ontario, for instance, would not be allowed at this time, in your judgment?

The CHAIRMAN: That is right.

Mr. MacDONALD (Cape Breton South): This discussion has been going on for some time, and without wanting to be unfair it does look as if Nova Scotia is being penalized. We have no vote at all for any public buildings in Nova Scotia while there are ten votes for Quebec immediately following, totalling over a million dollars. I would like to know why that condition has come about. Last year a delegation from my county came to Ottawa asking for the construction of a post office in the town of New Waterford. This is an incorporated town with a population of over 10,000 and the post office is in the back part of an old store. That delegation was composed of prominent Liberals from that county, and I refrained from accompanying them or from taking any part in the matter for fear the government might believe I was after some credit. I thought there would be a vote last year; I understood the delegation received assurances that something would be done for them, and I know they are looking for a vote this year. Surely such principles are not going to be tolerated, the government is not going to sit by quietly and allow such implications to be made, as we heard from the hon. member for Antigonish-Guysborough (Mr. Duff). However, that building was either needed in Mahone Bay or it was not needed. If it was not needed the amount should not have been placed in the estimates, but once there it should not have been removed to suit the political desires of my hon. friend from Antigonish-Guysborough, for whom I have the utmost respect.

I want to plead again with the Minister of Public Works, and to ask him if he will not consider the necessity of the town of New Waterford. I venture to say that of all the applications now before the government or to come before the government, none are

more deserving than that of the town of New Waterford. I submit the matter to the Minister of Public Works in the hope that he will consider it when making up the supplementary estimates.

Mr. ELLIOTT: I know something about the town referred to by my hon. friend, and the post office there is doing a good business; if I am correctly informed there is quite a mining business there. It is just like many other places; it would be much better if a new public building could be erected, but as I recollect from our reports I do not think the condition of the building can compare with that of some of the others which we have had to refuse. However, I shall be very glad to give the question consideration when the supplementary estimates are made up. By doing that I do not want to be understood as making a promise that this will appear in the supplementary estimates, because I am not going to do that with regard to any application.

Mr. DUFF: I am sorry my hon. friend thought it necessary to criticize any remarks I made, especially in view of the fact that I am very strongly in sympathy with the idea of a new post office building in New Waterford. Last year, when this delegation was here, although it was entirely outside any constituency in which I have any interest, either as the member or otherwise, I accompanied these gentlemen; I do not see why the hon. member did not come along, but I was good enough to take this delegation to see certain influential persons in Ottawa, and the least he might do is to give me credit without criticizing me. Again within the last month I had a very strong telegram from a prominent citizen of New Waterford asking me to get a vote put in the estimates for a new post office for that town, and again I approached influential members of parliament in regard to the matter, so I think the least my hon. friend might do is to thank me for my good intentions.

Mr. MacDONALD (Cape Breton South): Far be it from me to take away any credit at all from my hon. friend. I know exactly what he did last year and how enthusiastically he worked, and if I have any regret at all it is that the influence of the hon. gentleman in having items included in the estimates is not so great as it is in having them removed therefrom.

Mr. HEPBURN: I do not think it is fair to the minister to ask all these picayune questions and make these trifling interjections at this time. We all realize they are inspired more by politics than anything else. It is time we devoted our attention to business rather than to a controversy between two hon. members. It would seem from the arguments advanced here that when the hon. member for Antigonish-Guysborough (Mr. Duff) was getting a public building it was politics in the eyes of my hon. friend opposite, but if the hon. member for Queens-Lunenburg could get a public building it was good business. No one need be under the impression that only hon. members opposite have need of post offices. I think every member on this side has grievances in that regard which he could ventilate if he saw fit to do so. So much has been said about Mahone Bay that the time wasted and the expense incurred through that discussion would represent a sum more than sufficient to build the whole town.

Mr. ERNST: Very well, let us start.

Mr. HEPBURN: Let the minister go on with the public business, and if hon. members opposite have that interest in the public welfare which they claim to have they will show some desire to cooperate in the despatch of public business.

Mr. ERNST: I was not aware that any personal reflection had been cast by me upon the hon. member for Antigonish-Guysborough, although the hon. member who has just spoken suggested that there was. If there is any suggestion that I made any such reflection I deny it emphatically.

I want to ask the minister, in view of the explanation given by the hon. member (Mr. Duff)—I am doing it in all seriousness—for the dropping of this vote, if he will not give an assurance that this item will be placed in the supplementary estimates. I also think it is the duty of the minister to inform the committee as to whether the dictates of a member who may happen to be annoyed governs the policy of his department.

Mr. DUFF: I never get annoyed.

The CHAIRMAN: Shall the item carry?

Mr. ERNST: No, Mr. Chairman, I have asked the minister two questions and I want to get answers to them.

Mr. ILSLEY: I was astonished to find that any member of this house thought the minister ever gave an assurance in a matter of this kind. I have been as importunate in the matter of post offices as any hon. member. There are post offices needed urgently in three different towns in my constituency, and I have not been able to get any assurance that they will be provided. Lest the minister

may perhaps be impressed by requests from hon. gentlemen opposite I want to remind him, if there are to be any appropriations for post offices in the supplementary estimates, that I have three very urgent demands from my constituency.

Mr. LAPOINTE: Name.

Mr. HOCKEN: You will have another session.

Mr. EDWARDS (Frontenac): I think the hon. member for Lunenburg (Mr. Ernst) has put a question to the minister which affects every member of this house and every part of this Dominion. We have an hon. gentleman getting up in this house and declaring that at one time in his somewhat zig-zag political career he had importuned the government to build a post office in a certain place. Through the exigencies of politics he was obliged to run in another constituency. Whether that fact had anything to do with bringing about a change in his mind or in his attitude we, of course, can only conjecture.

Mr. DUFF: What do you think yourself?

Mr. EDWARDS (Frontenac): We have it from the hon. gentleman's own statement that at one time he thought a post office should have been built in this place, and he importuned the government along that line. Now he goes to the government and asks them not to build a post office where formerly he said it was needed. The hon. member for Lunenburg has put a proper question to the minister in asking whether or not he subscribes to that doctrine. The minister remains silent on the matter, and unless he answers the question I say that he is indicted as agreeing to that kind of policy and saying that he, in the expenditure of public money, is influenced by that spirit. It does not come well from the hon. member for Antigonish-Guysborough, it seems to me, to say that there is no politics in this sort of thing. There is politics in it. Politics of the most partisan character is spread all over it.

Mr. DUFF: Hear, hear.

Mr. EDWARDS (Frontenac): I say it is up to the minister to answer that question. It was a proper question, and it should be answered in the public interests.

Some hon. MEMBERS: Carried.

Mr. GUTHRIE: Oh no, it is not carried.

Mr. ELLIOTT: I want to answer the question of my hon. friend if no other member has any questions to put before I do so. My hon. friend who has just spoken has very properly urged the claims of a certain section of his riding to a public building, and I suppose there is no hon. gentleman here whose claims should be entitled to more consideration at my hands. He urged the matter sincerely upon my consideration, and I think he will agree with me that when I was not able to meet his views I was guided by official reports and the needs of various communities. That is what has actuated me in preparing these estimates. I do not want to cast any reflection on the criticisms which have been made, but those criticisms might have had some justification if either last year or this year any substantial number of post offices had been granted to constituencies represented by Liberals, Conservatives, Progressives or the members of any other political party. The grants for this purpose, since I have been in charge of the department, have been reduced to the barest minimum consistent with the necessities of public business. Now what we are considering is not a vote for Mahone Bay, or any other place in the riding represented by my genial friend; we are considering vote No. 123 involving an expenditure of $84,500, and the only objection that I have heard so far to that vote is that it is not large enough. There has not been one single objection against any item in that vote, and I do not consider the criticisms which have been made are well founded, in view of the fact that throughout the Dominion constituencies represented by both political parties have been treated in the matter of these grants in the same way.

Mr. GARDINER: We have heard a great deal about public buildings that are not included in the vote. I think perhaps it would be well for the committee to get down to business and discuss the items that are actually before us.

Mr. EDWARDS (Frontenac): I should like your ruling as to that, Mr. Chairman, because I should not like to be declared out of order. I submit that the only possible chance that a member has to point out where the need exists for a public building is under this particular heading. Surely it is not intended to hold members down merely to the items that are mentioned on this particular page of the estimates. For instance, when we come to Ontario I shall feel that I have the right to discuss under the general vote the matter relative to my constituency to which the minister has referred. I do not believe that the minister wishes to shut out discussion on the part of hon. members from Nova Scotia concerning any building which in their judg-

ment should be erected for the benefit of the province. They are entitled to discuss any public building that ought to be put up in Nova Scotia, whether it is included in the items or not. Otherwise we have to depend upon the judgment of cabinet ministers, and members of the house are precluded entirely from bringing up questions in which their constituencies are interested.

Mr. GUTHRIE: The question has not yet been answered; in fact, two or three questions have been asked the minister and so far he has failed to reply. It is idle for the minister to get up before an intelligent committee like this and discuss other post offices which may be in the estimates but which are not in this particular vote. This is a specific instance wherein a post office was recommended by the officers of the Public Works department. Can we have that report? What were the reasons given by the officers of the department when the building was originally authorized? I assume it was stated in that report that the building was urgently required. Who, then, was the officer that made the report? Has any officer of the department either withdrawn or overridden that report, or does the report still stand as indicating the view of the department, and is it among the files of the department? And why was the item withdrawn? If it was urgently needed in 1926 why is it not needed to-day? We were told yesterday that there is some $40,000,000 of a surplus in the treasury. Why not implement this promise made to the people of Mahone Bay prior to the election of 1926? Cannot the minister answer this question in a direct way instead of side-stepping, as he did five minutes ago when the question was put? Does he approve a procedure whereby a defeated candidate in a particular constituency can override the vote of the House of Commons and say, "Drop that item, I was beaten in that constituency"? If that is not playing politics in an important department of government, then I do not know what is. This committee demands some explanation of that procedure.

Mr. ELLIOTT: I thought my hon. friend was in the house when I made the explanation—

Mr. GUTHRIE: I have been here all evening.

Mr. ELLIOTT: —that so far as the decision was concerned as to what should be included in the estimates, I took the reports that were before me at the time the estimates were being prepared and arrived at the best conclusion I could. I have no recollection of my hon. friend having interviewed me; I know he did not interview me this year in connection with Mahone Bay or any other place.

Mr. DUFF: Nor last year either.

Mr. ELLIOTT: I do not recall his having interviewed me. My recollection is that for a considerable period of the session, while the estimates were under preparation he was not in the house. Naturally, my recollection of the matter is not as vivid as it was a year ago, but I know that for reasons that were considered sufficient then the vote was passed without an item for Mahone Bay. I want to assure my hon. friend (Mr. Guthrie) that there is no ground for his standing up and saying, upon an examination of these estimates, that they have been prepared with a view to meeting political emergencies.

Mr. GUTHRIE: I have said so.

Mr. ELLIOTT: Well, I say it is not so.

Mr. HOCKEN: We must all admire the ingenuity of the minister; he has been asked half a dozen times to answer a simple question and he has skated around it about as smoothly as anyone I have seen in the house. This, I submit, ought to be done: until the minister is able to answer the questions that have been put by the hon. member for Frontenac and the hon. member for South Wellington the item should stand.

Mr. LAPOINTE: What is the question?

Mr. HOCKEN: Upon what grounds was that post office recommended for Mahone Bay? We should have the report of the officials and then we should have an explanation as to why the item was withdrawn. That is what this side of the house is asking for, and that is what the minister will not give us. He has shown himself, I must admit, extremely clever in getting around the question, but I do not think we shall be satisfied until we have been given an explanation as to why this building was recommended, what was considered the necessity for it, why the item was withdrawn, and whether the minister gave his approval. Does the minister approve of the principle of a defeated candidate having an item removed from the estimates?

Mr. ROSS (Moose Jaw): The minister is being attacked as a very astute politician. May I point out that the hon. member for South Wellington stepped in at an opportune moment while the hon. member for Colchester (Mr. MacNutt) was discussing some property that had been bought at one time

by the department and had subsequently been sold at a very much lower figure—at a loss of $10,000, I think. If this item has to stand pending the obtaining of information for the committee, I should like to have the minister bring down information showing when this particular lot was bought, by whom, and from whom. The fact that such a lot as the one referred to in the locality mentioned by the hon. member for Colchester was bought at a sum representing $10,000 more than its present value is something that does not look very good, at least to me. The hon. gentleman says that the town has grown and its business is greater than it was before; but certain property purchased by the Conservative government is not worth nearly as much to-day as the money originally paid for it. I say, I want to find out whom the property was purchased from.

Mr. EDWARDS (Frontenac): The hon. member makes one statement which will apply generally to the whole Dominion. He says that in this particular case property purchased while the Conservative government was in power is not worth nearly so much to-day under a Liberal administration. I am not going to quarrel with the hon. gentleman on that point; probably he is right. The people of Canada, from the Atlantic to the Pacific, are realizing that property is not worth as much to-day under this government as it was some years ago.

Mr. ROSS (Moose Jaw): I say it is not worth what was paid for it.

Mr. EDWARDS (Frontenac): The hon. gentleman speaks of the opportuneness with which certain members get up on this side, but I notice that he did not give the Minister of Public Works a chance to rise and reply to the hon. member (Mr. Hocken). The hon. member for Moose Jaw put himself in the breach to protect the minister or to give him a little longer time to think the thing over. Well, I submit that in all conscience the minister has had sufficient time to think it over. He might avoid for the time being the tactics which he evidently learned from that venerable Liberal statesman, Oliver Mowat, who used always to say, whenever any embarrassing question was asked him, "I shall take it into my most serious consideration." That was as far as one could get with that statesman, and evidently the Minister of Public Works is adopting the same method of argument. Here we have a statement from the hon. member for Antigonish-Guysborough (Mr. Duff) that at one time he applied to the government for a post office in a constituency which he formerly represented, on the ground that such a building was very much needed. He used all his eloquence and exercised all his influence to have that building put up; it was sorely needed. That is fact number one. Fact number two: The people of that constituency got tired of him and refused to elect him again. Take along with that the next fact, which follows in chronological order. He comes to the government and says, "What I asked you before to do, I ask you now not to do. Do not give this constituency which refuses to express confidence in me the post office which they needed a year ago, and which they still need." I ask the minister again if he subscribes to that doctrine, if that was one of the things that influenced him and his department in refusing justice to this particular place. He has not seen fit to answer that question, and I repeat that until he does answer it he stands in the position of accepting that policy for his department and for the government, namely, that when a Liberal candidate happens to be defeated in a constituency he can come to the government and express his annoyance at the people who defeated him by influencing the government to withhold necessary and just grants to that particular constituency. That is the question, and I say that the minister ought to answer it, and tell us whether that was one of the representations he received that influenced him in cutting this item out of the estimates.

Mr. ELLIOTT: I do not want to be discourteous to my hon. friend in not answering his question, but I thought I had answered it already. He seems to be under the impression that at some time the estimates being prepared by me included an item for a post office at Mahone Bay, and upon that foundation he built up a splendid argument which made me think what an ornament the legal profession lost when the medical profession got my hon. friend. Might I just say in answer to him, and I think this will answer completely both his question and that of my hon. friend from Toronto, that they have both been going on an entirely wrong assumption, because never was there at any time an item for Mahone Bay in either the main or the supplementary estimates prepared by me. So I could never cut the item out. What may have taken place before, I am not in a position to say. I can only say that I certainly would not have cut out from the estimates for political purposes, an item that was already there. I do not think my hon. friend would charge me with that.

Mr. EDWARDS (Frontenac): I should like to return the compliment so graciously paid to me by the Minister of Public Works; I should be lacking in courtesy if I did not do so. He is a brilliant member of the bar, and for him to pay me the compliment of saying that the legal profession lost a bright and shining light when I joined the medical profession I take as a very great compliment indeed, coming from one who is so pre-eminent in the legal profession. It is because of my great and high regard for the hon. Minister of Public Works and for his integrity that I am endeavouring to get him to answer the question, so that he can protect himself against a wrong impression. I confess that I am still in doubt whether or not he or his department was influenced by the efforts of the hon. member for Antigonish-Guysborough, and I do not want to go out of this building to-night with any doubt in regard to that matter. I do not want to leave here with the impression that he was improperly influenced by the hon. member for Antigonish-Guysborough in not putting this item in the estimates. It does not matter at all whether the item was in the estimates before or since he became Minister of Public Works. The item was in the estimates of the Public Works department, and to that extent the government of the day had recognized the justice of the claims of Mahone Bay, no matter whether the present minister or his predecessor included that item. I am asking the minister if he has been influenced by the hon. member for Antigonish-Guysborough, who says that he influenced somebody.

Mr. DUFF: I did not say that I influenced somebody.

Mr. EDWARDS (Frontenac): My hon. friend from Antigonish-Guysborough has stated that he told them not to put this item in the estimates. Now whom did he tell? He did not tell me. He went to some member of the department and told them, and tried to influence them; and that he was able to influence them is evidenced by the fact that the item has been cut off the estimates, although Mahone Bay was a place that evidently the government had felt should have a post office. Because of my love for the Minister of Public Works, because of my high eseteem and very great regard for him, and because he is new to the job, I should like him to clear himself of any possible misunderstanding in this matter by getting up and telling the house at once that he was never influenced one particle by the representations made by the hon. member for Antigonish-Guysborough. Immediately he says that, he will rise in the estimation not only of every member on this side, but of every member on the other side as well.

Mr. HOCKEN: If I were of an irascible temperament I should have a right to feel peeved because, when the hon. Minister of Public Works was paying the hon. member for Frontenac the compliment of saying that he would have made a good lawyer, he left me out altogether. However, I am not of that temperament. I have not for one moment during this debate thought that the influence that was exerted was brought to bear on the present Minister of Public Works. But we have with us to-night his predecessor, and if influence was exerted it must have been upon him, if not upon the present minister. There must be something on the files of the department which will give some explanation of this whole transaction, and I suggest again, Mr. Chairman, that this item be allowed to stand until the minister has had the opportunity of examining his files and bringing down a reasonable explanation of all the circumstances.

Mr. LUCAS: The minister stated a while ago that he did not prepare the estimates last year which included a post office for Mahone Bay. I should like to ask him if he did not bring before the house last session, the supplementary estimates that were not passed the session before, and then ask this house to endorse them, which the house did. I think I am right in that.

Mr. KING (Kootenay): The other government did that.

Mr. LUCAS: Oh, no.

Mr. POULIOT: I remember that last year our friends opposite complained very much because an item of $12,000 was put in the estimates for a post office at Kensington, Prince Edward Island, and we spent a most interesting evening listening to our friends opposite opposing that item. This year, on the contrary, they do not ask us not to build a post office; they are asking us to build one at Mahone Bay. As we say in French, "autre temps, autres moeurs".

An hon. MEMBER: That is what Taschereau says.

Mr. SMITH (Stormont): We have been listening for several hours this evening to

hon. gentlemen opposite complaining because the government is not spending $10,000 to build a post office in a place with a population of six or seven hundred.

Mr. ERNST: Twice that.

Mr. SMITH (Stormont): Even so, I maintain that hon. members opposite should congratulate and not blame the Minister of Public Works for refusing to spend money on public buildings in a place of that kind.

Mr. EDWARDS (Frontenac): It is all right to spend half a million dollars at Washington.

Mr. SMITH (Stormont): Washington is going to spend half a million dollars in Ottawa. Is that wrong? I honestly think we should get on with the business of the country. People are anxious that we should not waste money by remaining here longer than necessary, talking about such ridiculous things as the building of a post office at Mahone Bay. We should proceed with the business and pass the vote.

Sir GEORGE PERLEY: What my hon. friend from Camrose said about the estimate is quite correct; these estimates were prepared in 1926 with the Mahone Bay item included. The estimates were partly passed in the session of 1926. After the election in the fall of that year, when the present government came back to power, my hon. friend became Minister of Public Works, and the remainder of the estimates of the previous session were brought into this house and passed right here, including the vote for a public building at Mahone Bay.

Mr. LAPOINTE: Without any discussion.

Sir GEORGE PERLEY: No discussion and no consideration. The present minister was the Minister of Public Works when these items were passed in this house. Now what happened? I had a good deal to do with administering the department during the short time the Meighen government was in power in 1926; and I would say to the hon. minister and to this committee that before the Mahone Bay item was put in the 1926 estimates there would be on the files of the department reports from officers of the department in Nova Scotia as to the necessity of the erection of this public building. Based on that report the then Minister of Public Works put the item in the estimates. The present minister had nothing to do with that, but he was minister when it was put through without discussion in the fall of 1926. Then what happened? When the items for the next year are being prepared the basis on which they are first made up is the previous estimates. The Mahone Bay item therefore must have been struck out of the 1927 estimates by somebody; the name would be there unless it had been struck out. There would be some report in the department before the minister would strike out the item, unless he did it entirely of his own volition without reference to the officials of the department. What the members on this side of the house have asked, and quite properly, is that the minister should provide the committee with a copy of the report from the engineer's department on which the item was put in in 1926, also a copy of the report of the officers of the department advising him that the item should be struck out in 1927. As I understand the methods of the department that is what happened. There must be a basis, a report or recommendation of some kind, on which the previous minister inserted the item, and there must be something on file in the department on which the present minister based his decision to strike it out in 1927. We ask that that be provided, and I do not think our request is at all unreasonable.

Mr. LAPOINTE: I have heard many theories presented to-night, and I am surprised at the theory suggested by my hon. friend just now. He says the estimates of the year must necessarily be based on the previous year's estimates.

Sir GEORGE PERLEY: Not necessarily, but usually.

Mr. LAPOINTE: I might remind my hon friend that when he was himself a minister of the crown he was not absolutely faithful in following that theory. He was a prominent member of the government which took office in 1911. I do not know if other members of parliament have had the same experience, but I was a member at the time. There were items in the estimates concerning my own constituency in the session of 1910-11, prior to the election. There was a dissolution of parliament on the reciprocity issue, as my hon. friend remembers.

Sir GEORGE PERLEY: Very well.

Mr. LAPOINTE: His leader took office. He was a member of the government, and by some mystery which my hon. friend might explain, these items disappeared. May I add that I did not whine? I took my medicine, and there were many on our side who did likewise for years. An hon. member on the other side made the comment that there are some items for public works in Quebec in these estimates. Maybe Quebec had been deprived

for so long—ten years—that there must be something now in order to repair the loss. But during the whole of the time we were sitting on the opposite side my friends and I took our medicine and did not whine, session after session. But let me say that the estimates are prepared as a new piece of legislation every year. My hon. friend says this item was in the estimates; why did it disappear? It disappeared because the government did not put it back in the estimates. It is asserted that my hon. friend the Minister of Public Works is responsible for the estimates. Well, the estimates go before the treasury board and council, and when they leave council they are far different from what they were when my hon. friend brought them in. Last year we had this same discussion and finally the Prime Minister said, in answer to a question which had been repeated as many times as the question has been repeated to-night, that the government was responsible; and the government does take the responsibility. There are questions of policy in that respect as in any other respect. When the estimates are discussed in council the general policy of spending public money for the building of new post offices is discussed. Why should we distribute public buildings in Nova Scotia because that province is represented by Conservative members in this house? I cannot see that. It seems to be offered as a reason for the government's erecting buildings there which are not given to the other provinces. I agree with the leader of the Progressive party when he says we are wasting the time of the house and the country in discussing Mahone Bay on an item of public works for Nova Scotia. I would ask my hon. friend to accept the very plain and satisfactory explanation which has been given by the Minister of Public Works.

Sir GEORGE PERLEY: Does the Minister of Justice think the item should have been dropped for the reasons given by the hon. member for Antigonish-Guysborough? We on this side do not claim that public buildings should be erected in Nova Scotia because they are represented by Conservative members; far from it. The minister simply ignores the point at issue. Is the Minister of Public Works or is the government ready to say that this item for Mahone Bay should have been dropped for the reasons given by the member for Antigonish-Guysborough?

Mr. LAPOINTE: It has been dropped for the reasons which have been given by the Minister of Public Works.

Sir GEORGE PERLEY: He did not give any reasons. If the Minister of Justice says—

Mr. LAPOINTE: He has given the reason, that it is the policy of the government not to build so many public buildings at the present time. We are economizing; we are decreasing the public debt; we are reducing taxation.

Mr. HOCKEN: I appreciate the attitude of my hon. friend from Stormont (Mr. Smith). It must surely appear to him to be a waste of time to continue this discussion, but I wish to direct his attention to the fact that the responsibility rests entirely upon the government. The government, through its ministers, has absolutely refused to answer reasonable questions.

An hon. MEMBER: No.

Mr. HOCKEN: Oh yes, I think so. A very serious principle is involved in the questions which we are putting to the Minister of Public Works and to which we are trying to get answers. Here is an appropriation put in at the desire of a man who was cultivating the constituency.

Mr. DUNNING: It was put in by the government.

Mr. HOCKEN: It was put in by the government at the request of a man who was cultivating the constituency. I think he admits that.

An hon. MEMBER: He says so.

Mr. DUFF: No, I denied it.

Mr. HOCKEN: I have a great admiration for the frankness of my hon. friend (Mr. Duff). Well, this item is put in because he wants to cultivate that constituency. Then an election is held, and the constituency rejects him; whereupon he comes along and says, "I will get even with you fellows," or something to that effect, and feeling that way he persuades one minister of public works, or another minister of public works, or some person in the department, to strike the item out. He says so himself; there is no doubt about that. Now, what we want is the information from the files of the department giving the reasons for putting that item in and for taking it out. If public business is to be conducted in the open and these appropriations are to be made upon their merits, this question must be answered. We are entitled to an answer, and certainly if there is any resourcefulness on this side of the house we will get the answer.

Mr. MacLEAN (Prince): In answer to my good friend from Toronto West Centre (Mr. Hocken), I may say that my understanding of the situation is this. Those votes were in the supplementary estimates. We had a vote for our province in the same estimates. Those estimates lapsed on March 31, and it was necessary to have the votes embodied in the main estimates for last year. My hon. friend will agree with me on that score.

Mr. HOCKEN: That does not get at the trouble.

Mr. MacLEAN (Prince): I had an estimate for my own county. It would have been dropped the same as the Mahone Bay estimate if I had not kept persistently after the department.

Some hon. MEMBERS: Oh, oh.

Mr. MacLEAN (Prince): Well, the point I want to make is this: The hon. member for Lunenburg (Mr. Ernst) failed in his duty —he admitted that last session on the floor of the house—in that he did not press for that vote to be included in the main estimates.

Mr. HOCKEN: No.

Mr. ERNST: The hon. member cannot find any statement of mine to that effect; the contrary is the case. I may say that I also have been persistent in my requests since the main estimates were submitted last session.

Mr. MacLEAN (Prince): This is not the only vote that was dropped from those supplementary estimates; there were hundreds of others, and they were not included in the main estimates. It is up to the member for the constituency to see that the votes he is interested in are so included. It is too late after the main estimates are brought down to complain that his votes are not in. The place to take that matter up is the department, and I think the minister has shown that the vote in question was not included in the main estimates last year along with a great number of others. I notice there was $20,000 voted for Prince Edward Island in 1927-28 which has not been used. We would like to have another post office down there, and I suggest to the minister that this money should be used for the purpose of the erection of a post office building in Alberton in my province.

Mr. LUCAS: I should like to ask my hon. friend (Mr. MacLean) what system he pursued in persuading the Minister of Public Works to look after his constituency; did he use blarney or the big stick? I happen to be one of those unfortunates who had a vote dropped in the supplementaries, and although I used my best endeavours—and I am Irish too—I was not able to persuade the minister to reinstate that vote in the main estimates last session. But, seriously, Mr. Chairman, I think we have a very important principle to decide. To my mind it is a disgrace to the public life of Canada that a body of men who pose as being capable of administering our national affairs should stoop to the small practice of cutting out a vote for a particular constituency because the electors of that constituency did not see fit to return a member in support of that government. Are we to understand that the people are to be bribed with their own money and that the public works they are granted depends on how they vote? The Minister of Justice gave what he described as a parallel case, but it was not. I take it, Mr. Chairman, that when those supplementary estimates were brought down in 1926 by the present Minister of Public Works, and he asked this house to endorse them, and they were endorsed, every one of them, those supplementaries should all have been placed in the main estimates for last year to be voted on by this house. It is a different question entirely where you are preparing new estimates.

Mr. LAPOINTE: The same procedure was followed in 1911 after the elections on the reciprocity issue; the first thing done was to vote the estimates of the previous session en bloc.

Mr. LUCAS: I presume that was a change of government.

Mr. LAPOINTE: That changes neither the theory nor the principle.

Mr. LUCAS: In this case the government came in and changed its own estimates. Anyhow, does the minister think that is right?

Mr. LAPOINTE: I think a government must assume responsibility for the estimates which are submitted to the house every session.

Mr. LUCAS: Those estimates had been submitted to, and endorsed by, the house.

Mr. ERNST: By the same minister.

Mr. LUCAS: By the same minister, and yet when the main estimates were brought down the same session certain of those supplementaries had been dropped. I think an explanation is due from the Minister of Public Works.

Mr. KING (Kootenay): The Minister of Public Works has, I think, met the situation fairly and reasonably. But I have some knowledge of the former estimate which is under dispute. We know that during the war years there was a cessation of public works, particularly the erection of post office buildings, throughout the Dominion. We came into power in 1921. We continued that policy, and in 1922, 1923 and 1924 I do not think we were able to prevail upon the treasury board to allow any appropriations in the estimates for the construction of public buildings, although the public service throughout the country demanded such accommodation. No one will deny that during that period the necessity for the construction of these buildings existed. In 1925 I did prevail upon the government to the extent of commencing a small program.

Some hon. MEMBERS: Oh, oh!

Mr. KING (Kootenay): Well, that is all right. A small program was undertaken after I had pointed out to the government that there had been no construction for ten years and that the needs of the country were so great that the government should begin the construction of some public buildings in a small way. As for the selection of the points where these public buildings should be constructed, as the minister in charge at the time I am prepared to take the responsibility. Surely, however, no hon. member will contend that the government, having accepted that policy on the advice of the minister of the day, having voted supply and then having been out of power for a few months and having been returned to office, had not the right to change its policy. The Minister of Public Works may have differed with me there, although I do not say he did; neither do I say that if I had continued in that department I should have been able to prevail upon the ministry to continue that program. I am of the opinion that the public service throughout Canada does require a large expenditure in order that there may be proper accommodation not only for the service but for the employees engaged in it. However, you cannot eat your cake and have it too, and yesterday the Minister of Finance (Mr. Robb) made statements in this house which I am sure were of great interest to the people of Canada. In fact I am inclined to believe that the judgment of the government was better than mine, and that for the time being the cessation of the construction of public buildings was a wise policy, a policy which has probably been one of the factors which made it possible for the government to relieve the burden of taxation and to reduce in some degree our enormous public debt.

With regard to what happened in connection with the re-voting of supply after the defeat of the King government in 1926, we know that the incoming government desired to pass these estimates en bloc, and endeavoured to do so. They were not allowed to do that, however, and they carried on during the interval by means of special warrants. When we returned to power it was understood, in order to clear up the financial situation, that it would be wise to vote the supply brought down in the winter of 1926 before the main estimates for last year were brought down. I do not believe it can be contended that the estimates of this year are to be the basis of the estimates for next year or the year after. Each year is treated by the government with regard to the condition existing at the time the estimates are under consideration, and any one who has served in the ministry knows that the instructions are given out some weeks before the preparation of the estimates is begun.

Sir GEORGE PERLEY: We do not object so much to the dropping of this item as to the reasons given by the hon. member (Mr. Duff) for its disappearance. In order to get on with the work, therefore, may I ask the minister if he will bring down copies of all the reports advising the construction of this building at Mahone Bay, and also copies of the files of record at the time the matter was dropped?

Mr. ELLIOTT: I shall be very glad to produce for the inspection of the committee any files we have with regard to this or any other public building either in or out of the estimates. But in addition to that I want to clear up what I feel to be a misapprehension entertained by the hon. member for Toronto West Centre (Mr. Hocken) and my hon. friend from Camrose (Mr. Lucas). The estimates to which they were referring were not, as you remember, the estimates that were presented last year; they were the supplementary estimates of the year before, and were presented either in the fall of 1926 or in the early part of the session of 1927. As I said before, no estimates prepared by myself contained the item with reference to Mahone Bay. Those estimates lapsed on March 31. They were not struck out; they went out of existence automatically on account of the ending of the fiscal year. This building at Mahone Bay, and the one to which my hon. friend from Camrose referred, were not reinserted for the reason that the government

considered that other expenditures were more necessary. I want to give my friend an answer which I hope he will consider straight and satisfactory. He asked me as to whether or not I was influenced by the suggestions made by the hon. member for Antigonish-Guysborough. I think he heard my hon. friend state that he had never spoken to me about it, and I have no recollection of his ever having done so. Therefore I am quite sure he is correct when he makes that statement, but at any rate I can say positively that I was not impressed by any such requests. They never came to me, so I could not have been impressed by them.

Mr. HOCKEN: May I ask the predecessor of my hon. friend whether the hon. member for Antigonish-Guysborough made representations to him to have that work stopped or struck out of the estimates?

Mr. KING (Kootenay): As Minister of Public Works I found that most of the members came to my office and made quite proper representations in connection with matters pertaining to their districts, and I imagine the hon. member referred to came to my office and made representations similar to those made by other hon. members on both sides of the house.

Mr. ERNST: The explanations which have been given make it more important that the item be allowed to stand until such time as the file is produced. The minister has stated that the hon. member for Antigonish-Guysborough did not speak to him in connection with this matter, while the hon. member for Antigonish-Guysborough positively states that he influenced the minister. That makes it all the more necessary to have the file produced in order to see what method was adopted by the hon. member for Antigonish-Guysborough, and I therefore suggest to the minister that this item be allowed to stand until the file is produced.

Mr. ELLIOTT: I have already stated to my hon. friend that I have no objection to producing the file, and I think my hon. friend should take my word for it. I say the file will be produced, and whatever correspondence took place will be laid on the table. On that undertaking I think my hon. friends might see their way clear to allow the item to pass.

Mr. CHAPLIN: A moment ago the minister said he would not produce the files of anything except the items in the present estimates.

Some hon. MEMBERS: No, no.

[Mr. Elliott.]

Mr. CHAPLIN: Do I understand the minister to say now that the file having to do with this particular matter will be produced?

Mr. ELLIOTT: Yes.

Mr. HOCKEN: Then I presume the minister will allow the item to stand.

Some hon. MEMBERS: Carried.

Mr. HOCKEN: Let the item stand. We may get information about it which will alter our view.

Mr. ELLIOTT: I call the hon. gentleman's attention to the fact that that file has no reference to, or no bearing upon, the items under discussion.

Mr. HOCKEN: But the items under discussion offer us the only opportunity we shall have of discussing the matter.

Some hon. MEMBERS: No, no.

Mr. HOCKEN: I think so. I submit that we ought to have the information we are asking for before this item is disposed of.

Sir GEORGE PERLEY: If the minister will provide the hon. member for Queens-Lunenburg with the files that refer to Mahone Bay, and allow him to discuss the matter on "harbours and rivers, Nova Scotia", if he chooses to do so, will that be satisfactory?

Mr. ELLIOTT: Quite satisfactory.

Sir GEORGE PERLEY: Then the minister will give us the assurance that the hon. member (Mr. Ernst) can discuss the Mahone Bay matter, when he has the papers, under the item: "harbours and rivers, Nova Scotia"?

Mr. ELLIOTT: Quite so.

Mr. LAPOINTE: Another night of it!

Mr. ERNST: I must confess that I am still not satisfied, because when the vote for harbours and rivers is up it may not be possible for me to be present. Therefore I will ask the minister to allow this item to stand until such time as the file is here.

Some hon. MEMBERS: No, no.

Mr. ERNST: I should hate to have to talk until 11 o'clock in order to explain my position. The Minister of Public Health (Mr. King) has advanced contentions which in reality are not arguments at all and have nothing to do with the question at issue. We now get back to the basic issue, which is that the hon. member for Antigonish-Guysborough has stated that he did certain things; he had a certain vote put in the estimates and afterwards had that vote taken out. He has stated

that two years in succession. Now what possible objection can there be to allowing the item to stand and then producing the file containing the papers referring to this matter, so that we can discuss it at a future date?

Mr. EDWARDS (Frontenac): I submit that this is a request which has frequently been made in this committee and agreed to. You do not make any progress by simply crowding an item through. I am sure I am right in stating that neither the minister nor any member of the government has the slightest intention of preventing further discussion of this matter, and where can the discussion more appropriately take place than under this item? Let the item stand, as has been done hundreds of times in my experience. Whenever there was a decided difference of opinion, or when members have asked that certain items should stand until further information is forthcoming, the request has been acceded to no matter what government was in power. Why should my hon. friend object to such a procedure? If the government has confidence in the honesty of these items it should be the first to meet that request and say "very well; let us get on with the business; we will take up something else, and when you have had an opportunity to look into this matter we will resume the discussion." My hon. friends are not losing any time by following this course, but they cannot crowd an item through in the face of general opposition.

Mr. DUNNING: "Crowd"?

Mr. EDWARDS (Frontenac): If the government persists in its course I cannot use any other word. Why not let this item stand and go ahead with other items?

Mr. STEWART (Edmonton): Is there any objection to the items in question? Has any information been asked for in regard to them?

Mr. EDWARDS (Frontenac): Yes.

Mr. STEWART (Edmonton): Not a bit.

Mr. EDWARDS (Frontenac): Excuse me, but I am afraid my hon. friend and I do not see this matter in exactly the same light. I endeavoured to put myself straight by asking the chairman a question some time ago. If I understood him correctly, and I think I did, he considered the discussion was perfectly proper. I understood the government also considered it proper. I understood it was permissible to discuss public buildings under this vote, even though certain public buildings may not be mentioned in it, and I think that is the proper course to pursue. We shall not be doing wrong if we follow the general principle that where there is a decided difference of opinion, and further information is asked for, we allow the item to stand, as has been done hundreds of times in this house.

Mr. LAPOINTE: I would agree with my hon. friend if the item in question was for Mahone Bay, but there is nothing concerning that place in this item. The items here relate to Halifax, North Sydney and Truro. Item 125 deals with Dominion public buildings generally. There is where the whole discussion should properly have taken place, as was stated by the chairman. Why not wait until that item is reached, if you deem it necessary to renew the discussion, and then you will have the file promised by the Minister of Public Works.

Mr. EDWARDS (Frontenac): I appreciate the point of the Minister of Justice, but under our constitutional system when a government comes to the house and asks for supply, it is the right of any member to bring any grievance to the notice of parliament, and to ask for redress before any money is voted. That is the democratic principle of our British institutions, and it is one which has always been recognized. I recognize my hon. friend's point that the discussion might be taken up under item 125, but I maintain nevertheless that the hon. member for Queens-Lunenburg has a right to make representations with respect to any grievance before supply is granted on any item.

Mr. STEWART (Edmonton): I would agree with the hon. member if any question were raised with respect to any item in this vote. But inasmuch as no question has been raised nor any information demanded regarding any items enumerated in the vote, it seems a strange thing for hon. gentlemen to ask that the whole vote should stand when they can discuss the matter later in the light of the information contained in the papers to be brought down. The request of my hon. friend does not exhibit any desire to expedite public business.

Mr. EDWARDS (Frontenac): May I ask my hon. friend one question: Does he not recognize the soundness of the principle that any member representing the people has a right to make representations with respect to a grievance and to have that grievance rectified by parliament, or by the government, before any supplies whatever are granted?

Mr. STEWART (Edmonton): That right is not being denied. The hon. gentleman is right when he says that items are allowed to stand with respect to which information is

desired. But no information is sought with respect to the vote under consideration, and a promise has been given to the hon. member for Queens-Lunenburg that as regards the item he has in mind the information will be brought down and he will be given an opportunity to discuss it. I fail to understand therefore why this particular item should stand.

Mr. ERNST: One word in reply to the Minister of the Interior. He seems to have overlooked the fact—possibly he was not here during the whole discussion—that there are two aspects to this question. There is the aspect of the vote for the post office at Mahone Bay which was dropped last year from the main estimates that were tabled. There is also the question of the principle as affecting the estimates under consideration and other estimates. Certain representations were made by the hon. member for Antigonish-Guysborough, representations as to the principle upon which votes got into the estimates and were taken out. Before any estimate passes the house it is really the privilege of the house to know whether or not that principle governs in the voting of public money. That is really the question at issue apart altogether from the question of Mahone Bay. And that is why I ask that the vote stand.

Mr. DUNNING: My hon. friend will admit that the principle can be discussed on any vote which comes before the house on any occasion. The right to discuss that principle is inalienable; any member can invoke it on any vote which comes up. There is therefore no reason why this particular vote should be held up, for it does not touch the principle just enunciated by my hon. friend any more than does any other vote. In view of the fact that the Minister of Public Works has promised to bring down the papers I submit that the item should be allowed to pass. The minister's word is good when he promises, although I admit he is the hardest man to get to make a promise. However, he has definitely promised to bring down the papers with respect to this matter, and so far as the general principle is concerned it can, I say, be discussed on any vote. It is not correct to say that any gentleman is being denied the right to air a grievance affecting a matter of principle. I urge my hon. friend, on the very ground he himself takes with regard to the principle at stake, to allow the item under discussion to pass on the understanding that he may discuss that principle later. He may discuss it not once but one hundred times if he wishes to do so; there can be no difficulty about that. Otherwise he must take the responsibility for merely obstructing until eleven o'clock, and that I do not think is desired. Surely this meets my hon. friend at all points. The hon member for Argenteuil (Sir George Perley), who is leading the opposition at the moment, suggested the course I am urging, and if we adopt it we can make some progress, at the same time giving the hon. member for Queens-Lunenburg every opportunity on another occasion to discuss both the principle and the specific matter relating to Mahone Bay.

[Mr. C. A. Stewart.]

Mr. ERNST: It is not my purpose to obstruct, and I appreciate the honeyed words of the Minister of Railways. But the assurance which he gives is somewhat broader than that suggested by the hon. member for Argenteuil and accepted by the Minister of Public Works. If the Minister of Public Works will assure me that on some other vote I may discuss not only the principle but the particular question with reference to the post office, I am content. I am not discussing the matter merely for the sake of obstruction.

Mr. ELLIOTT: My hon. friend said something about not being able to be here during the discussion of the vote for harbours and rivers. If he is not here when item 125 is discussed I will undertake to hold some other item to enable him to bring the matter up. He might let the item pass now.

Mr. ERNST: That is perfectly satisfactory.

Mr. CANTLEY: Any arrangement as to the Mahone Bay matter reached by or between the minister and any member on this side does not interest me in the slightest. My well-beloved and usually generous friend, the Minister of Justice (Mr. Lapointe), made some reference to the granting of post offices to constituencies represented by Conservatives. I am not asking for a post office and I have not done so. What I am asking for is to have repairs and alterations made to a building which is about fifty years old, the necessity for the repairs and alterations is admitted by the department, having been a matter of knowledge to them for several years. The request has been supported by the gentleman who opposed me in the county of Pictou, and correspondence from him is on file in the department in which he urges the importance of the work. I obtained from the minister last year what I consider a gentleman's agreement and I do not now propose to be put off without a definite assurance that something will be done in the matter within a reasonable time.

Mr. MacNUTT: I have deferred discussing the question I am now going to bring up until the matter of the Mahone Bay post office should have been settled or an answer given by the minister. Since we have failed to secure any satisfactory reply in that regard I wish now to refer to the item of $1,300 for the tractor for postal purposes at Truro. I shall ask the minister a question which I am sure it is within his power to answer. But before doing so I want to take up the reference which the hon. member for Moose Jaw (Mr. Ross) has made to my remarks concerning the purchase of a certain lot in Truro. In Hansard of February 15 the following questions and answers are given:

Truro Post Office Site

Mr. MacNutt:

1. On what date was a lot in the town of Truro, Nova Scotia, purchased for a new post office site?
2. What price was paid for said lot?
3. To whom was said lot sold?
4. What proportion, if any, of original lot was sold for church building purposes?
5. Who was purchaser of remaining portion of lot?
6. What price was paid by each of the two buyers?

Mr. Mackenzie King (for the Minister of Public Works):

1. July 11, 1914.
2. $17,000.
3. Part of site (100 feet by 165 feet) to St. James Presbyterian church for $3,300 and remainder of site (124 feet by 165 feet) to Geo. L. Brenton for $4,500.
4, 5 and 6. Answered by No .3.

Now the committee will see that a very valuable lot in Truro, for some reason or other, was sold at a loss to the country of almost $10,000.

Mr. DUNNING: Was it ever worth what was paid for it originally?

Mr. MacNUTT: At the time these lots were bought real estate values were higher than at present.

Mr. DUNNING: In 1914?

Mr. MacNUTT: In 1914. In that town prices were then high and this price was not considered exorbitant.

Mr. CASGRAIN: From whom was it bought originally?

Mr. MacNUTT: I did not ask that question, but I understand that it was bought from a widow. I know that in the town in which I live, Stewiacke, a lot was purchased for a post office from the widow of one of the strongest Liberals there.

Mr. DUNNING: Is that the same lot?

Mr. MacNUTT: No. In the town of Stewiacke to-day we are carrying on our post office business in a little ten-by-twelve office which is utterly unfit for the purpose. I hope the minister will not decide to dispose of that lot, which was bought in 1914, in the same way that the department did in the case of the lot in Truro. In view of the report from the architects of the department, to the effect that the building at Truro could not possibly be remodelled except at an enormous cost, almost equal to the amount that would furnish a new building, I should like to know from the minister upon whose recommendation the department has acted. The people of the town of Truro feel this very keenly. They feel that they have received a black eye by having this lot disposed of at the price which the department realized. I hope the minister has the information available so that he can give it to us to-night.

Mr. VENIOT: I should like to be allowed to say a word in regard to the Truro situation in reply to what the hon. member for Colchester (Mr. MacNutt) has just said. In December, 1926, at the request of the board of trade of the town of Truro, I visited that town. I arrived at nine o'clock in the morning, on my way from New Glasgow to Moncton, and met the members of the board of trade and some members of the city council. I went down with them, examined both properties thoroughly, and made a thorough examination of the present post office accommodation. At their suggestion, as Postmaster General, I recommended to the Department of Public Works that the lot purchased in 1914 between the two churches be disposed of because according to their opinion, in agreement with my own, there was sufficient real estate attached to the present building at Truro to add all the modern improvements necessary to give Truro all the postal and customs accommodation it would need for the next twenty years. I had the chairman, the secretary, and other members of the board of trade with me, and we fully discussed the matter. We returned to the station awaiting the train I was to take, and there it was decided that I should recommend to the Minister of Public Works the sale of the property that had been bought in 1914, and recommend also the necessary improvements to the present building along modern lines. The present building can be improved, and a modern up-to-date addition can be made to it on a property the rear of which is vacant to-day, sufficient to give the town of Truro all the postal and customs accommodation that it will need for the next

twenty years, without having to build a new building on a new site. More than that, the site of the present post office at Truro is the best available site in the whole town. It is more centrally located than the property that was purchased between the two churches at Truro, and I might add that there was a decided objection from the adherents of both churches that a public building should be put up in between the two churches. There is the history of my investigation as Postmaster General of the conditions at Truro, and it was upon my recommendation as Postmaster General that this property was disposed of. But before I took that action, I received the recommendation of the members of the board of trade at Truro, who met me at the station and visited both sites with me.

Mr. MacNUTT: I am very glad to have the minister acknowledge that he is responsible for the sale of the lot in the town of Truro. I am receiving letters frequently, and recently almost daily, asking me to have this matter brought up in the house, and these letters are not all from Conservatives either. I would like to know the gentlemen who accompanied the minister on that occasion.

Mr. VENIOT: The chairman of the board of trade was one, and the secretary of the board of trade was another.

Mr. MacNUTT: Evidently a change has come over the people since, from the information I am receiving. I am very glad, however, that the onus of the sale of this lot in the town of Truro is now placed upon the shoulders of the Postmaster General.

Mr. VENIOT: And upon the members of the board of trade of Truro. They recommended it.

Mr. MacNUTT: I will allow them to speak for themselves. I think I would take the opinion and the judgment of such men as the architect to whom I referred earlier in the evening, Mr. Rankin, who spent several days in that town making a report on the old post office, rather than the report of the Postmaster General, notwithstanding the high opinion I hold of his judgment. I think there is not a member of this house on either side who has ever made an attempt to remodel an old building, and this building is forty-four years old, who did not regret before he got through that he had ever started. The report I have referred to, which is on file in the Public Works department, shows that the cost of remodelling the old building to put it in the condition the public service requires would be almost equal to the cost of a new building, and even then you would still have an old building. I need not refer to the condition of the present building. The minister says that there is a lot of room in the rear. We know that there is room at the rear in nearly all our public buildings, but I say that the building will be entirely inadequate when it is completed and the cost will be so great that it would almost build a new one. I appeal to the Minister of Public Works, before attempting to spend a large amount of money on the Truro post office, to go very carefully and take the advice of his architects, who have already reported on it.

Mr. GARDINER: I would ask the minister to give some explanation of these different items.

Mr. ELLIOTT: Perhaps my hon. friend was not in earlier in the evening when I gave an explanation.

Mr. GARDINER: Yes, I was.

Mr. ELLIOTT: The first $25,000 is a payment to the Department of Railways and Canals for accommodation. It is really in the nature of a rental agreement. It is the amount that after considerable negotiation was arrived at as a fair price.

Mr. GARDINER: What accommodation was secured?

Mr. ELLIOTT: It is the immigration building. We were able to arrive at that arrangement with the Department of Railways and Canals. This is the amount we paid last year, and for some years past I think. The item of $45,000 is required for repairs to buildings and wharves at the Royal Canadian Naval barracks. These are rather extensive repairs. First, there are general repairs to wharves and cambers, $20,000; reconstruction of foundation of thirty-ton crane, and erection of crane, $15,000; repairs and construction of parade and recreation ground, $10,000, or a total of $45,000. The next item of $5,700 is required for repairs and improvements to Rockhead hospital. This has been requested by the Department of Health. The alterations asked for consist of installing door bells, electric fixtures, and other items, eighteen altogether. The next item is $7,500 for an addition to a public building in North Sydney. If my recollection serves me aright, that is for customs purposes. It is a one storey building at the rear of a public building, and it is necessitated very largely on account of the seizures of liquor. They already have so many seizures on hand that their accommodation is practically all taken up.

Mr. CHAPLIN: Is it not a fact that seized liquor is immediately destroyed?

Mr. VENIOT: No.

Mr. CHAPLIN: What is done with it?

Mr. VENIOT: It is kept for thirty days before it is destroyed.

An hon. MEMBER: It is consumed.

Mr. CHAPLIN: Who consumes it? According to the Postmaster General the building is needed to hold the liquor for thirty days so that it can be poured down the sewer.

Mr. VENIOT: I did not say it was poured down the sewer; I said it was destroyed.

Mr. CHAPLIN: Did the hon. member not say something about thirty days?

Mr. VENIOT: Yes.

Mr. CHAPLIN: According to this other minister the building is required to hold liquor for thirty days so that it can then be destroyed. If that is the only use for the building the government had better make a change in the law, save the $7,500 and destroy the liquor at once.

Mr. ELLIOTT: This addition was asked for by the Commissioner of Customs in a letter dated the 18th of November, as follows:

I have to request that a one-storey brick building 30 feet x 70 feet be erected at the rear of the North Sydney, N.S., public building in order to provide adequate facilities for the examination of importations and more especially for the safe custody of seized goods.

This accommodation is absolutely necessary, as North Sydney is the headquarters for our preventive service operations around Cape Breton island and it is impossible to obtain the required security in rented premises. Alcoholic liquors constitute the bulk of the seizures, and the goods have to be retained for long periods on account of actions pending in the courts.

Mr. CHAPLIN: Quite satisfactory.

Mr. ROSS (Kingston): As a matter of information regarding the naval barracks, did the minister state how many men are retained there on service or kept in the barracks?

Mr. ELLIOTT: The request made for this accommodation does not, I regret to say, state the number of men.

Mr. ROSS (Kingston): Is it used now as a barracks, or is it in preparation for a new navy?

Mr. RALSTON: This is an item which has been passed for a good many years. The amount is generally $30,000. Last year, however, there was no vote at all, and the additional $15,000 is on account of the repairs required.

Mr. ROSS (Kingston): I should like to know what corps is being held in those barracks.

Mr. RALSTON: I cannot tell the number of men,—probably about 200. The naval stations are situated at Halifax and Esquimalt.

Mr. KENNEDY: Is this $25,000 for the accommodation of immigrants? Can the minister tell me how many immigrants came into Halifax last year?

Mr. ELLIOTT: I am afraid my hon. friend will have to ask the Minister of Immigration that question. This is the amount of the rental for the immigration halls at that point. As I said before it has been paid for a number of years. Formerly there was an arrangement by which the departments divided the expense in a certain way, and it did not work out satisfactorily. After considerable negotiation an arrangement was made for a lump sum of $25,000 to be paid by the one department to the other.

Item agreed to.

Public buildings, New Brunswick—St. John quarantine station, Partridge Island—repairs and improvements, $13,600.

Mr. BELL (St. John-Albert): Will the minister give me some information as to the details of this vote?

Mr. ELLIOTT: This amount is required for general repairs and improvements to St. John quarantine station as requested by the Department of Public Health through the deputy minister in a communication dated December 2, 1927. The memorandum is as follows:

The proposed works consist of a large number of small miscellaneous items which are estimated to cost $13,520. They are as follows:

Alterations and repairs:

(1) Power House:

Cut out defective bricks in external walls and replace with new and coat walls externally with three coats minwax.

Construct one new store for bunkering coal, in location to be decided between Public Works department resident architect and medical superintendent.

Provide six ladders for fighting fire which may occur in the various buildings, (twenty feet to thirty feet long).

Cut opening between boiler room and main hall 2 ft x 3 ft for ventilating and heating purposes, provided with trims complete.

And other similar details which I shall be glad to read if my hon. friend desires them.

Mr. MacLAREN: May I ask the minister if there is any special condition about New Brunswick to account for the presence of only one item in the estimates for the province—$13,600 for the St. John quarantine station? There is no epidemic in the province so far as I know. Why therefore this special and sole attention to the quarantine station? It is

unfortunate if the quarantine station has the effect of keeping out of the province all votes for public buildings.

Mr. ELLIOTT: Do I understand my hon. friend to object to the vote?

Mr. MacLAREN: Yes, I am objecting to the smallness of the vote.

Mr. ELLIOTT: I can assure my hon. friend that the vote is adequate to make the required improvements in the economical manner in which we make them.

Mr. PRICE: Mr. Chairman, I have been very much amused by the defence offered by the government to-night of public expenditures, particularly those in the maritime provinces. Especially amusing was the explanation given by the Postmaster General (Mr. Veniot) of the extensions to be made at the Truro post office. It is becoming a habit with the government to fit up old buildings as best they can, jack them up, plaster and replaster them, leaving them in an unsanitary condition, in those constituencies where the Liberal candidate was not successful at the last election. In 1885 a post office was constructed in the city of Moncton when the population was about five thousand. That building has been condemned from time to time by the architect of the Public Works department, by the architect of the Post Office department and by every other official who has inspected it. Yet the gross postal receipts have increased from $65,000 to over $400,000 a year, with net receipts of over $300,000, standing I think about sixth in the whole Dominion in so far as revenue is concerned.

A few moments ago members of the government referred to orders in council, and the former Minister of Public Works (Mr. King) stated that having been out of power for something like two months, the items they had placed in the estimates had no effect whatever on their being returned to power again. That is a very weak argument, and I think no one realizes it better than the hon. gentleman himself. However, he put it over in very good shape.

The discussion on the Mahone Bay post office vote discloses the fact that a defeated and disappointed Liberal candidate was able to prevail on the minister to withdraw that vote for what was admittedly a public necessity. If that is what this government is ready to do on the recommendation of a discredited candidate, which means that they are prepared to accept the responsibility of withholding from the general public in any constituency a post office or any other necessary public building, then I say the time will come when the electorate will deal with that government.

[Mr. MacLaren.]

In the city of Moncton a private individual, a supporter of the present administration, purchased a property for something like $17,000. Four or five years ago, possibly six, but I think no more, the government, having been impressed with the necessity of building a post office in that city, selected the very property that this gentleman had purchased. An election was in sight, and I presume it was thought proper to pay a respectable price to the owner, and they handed him $49,000. This property they rented afterwards at $40 a month, and to-day it is occupied by an employee of the Canadian National Railways at a rental of no more than $49 per month, the government paying the taxes—a very fine income from an investment of nearly $50,000.

Now, from time to time the government has promised the people of Moncton a post office. As a matter of fact the present building is not sanitary, and it is so inadequate that the government has found it necessary to go to a middleman and get him to rent a place across the street and sublet it to the department. That is the condition of affairs there to-day—the government instead of renting the property from the owner is renting it from a middleman.

Mr. VENIOT: Not for the post office.

Mr. PRICE: That is the practice of this government. As I say, the people of Moncton require a new post office building. The old building has been repaired from time to time, and instead of putting up a new post office—which, as I have shown, is very badly needed to carry on properly the business of the department—the government are subjecting the postal employees to the inconvenience of looking after the public business in a building which has been condemned and which is inadequate and badly located.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, February 20, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 46, respecting The Nipissing Central Railway Company.—Mr. Lang.

Bill No. 47, to incorporate Canadian American International Bridge Company.—Mr. Edwards (Ottawa).

Bill No. 48, respecting The Calgary and Fernie Railway Company.—Mr. Gershaw.

IMMIGRATION INQUIRY

REFERENCE TO SELECT STANDING COMMITTEE ON AGRICULTURE AND COLONIZATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I move that the house proceed to government notices of motion, in order to take up the motion which stands in my name. It is the motion which refers matters pertaining to the Department of Immigration to the committee on agriculture and colonization. I have no doubt the house will wish to have the committee consider these matters while the debate on the budget is in progress.

Mr. SPEAKER: By unanimous consent Mr. Mackenzie King moves, seconded by Mr. Lapointe:

That the Immigration Act and regulations thereunder, including the work of the Department of Immigration and Colonization, be referred to the committee on agriculture and colonization for consideration and report.

Motion agreed to.

PENSIONS AND SOLDIER PROBLEMS

CONCURRENCE IN INTERIM REPORT OF SPECIAL COMMITTEE

Mr. C. G. POWER (South Quebec) moved:

That the interim report of the special committee on pensions and returned soldiers' problems, which was presented on the 17th of February, be concurred in.

Motion agreed to.

MARINE AND FISHERIES COMMITTEE

Mr. WILLIAM DUFF (Antigonish-Guysborough) moved:

That the annual report of the Minister of Marine and Fisheries for the fiscal year 1926-27, and the annual report of the fisheries branch of the Department of Marine and Fisheries for the fiscal year 1926-27 be referred to the select standing committee on marine and fisheries.

Mr. SPEAKER: This motion can only be made by leave of the house, seeing that no notice was given of it. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

REPORT OF ROYAL COMMISSION

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): On behalf of the Secretary of State (Mr. Rinfret) I table the report of Commissioner Hunter and also the evidence taken before him.

Hon. R. J. MANION (Fort William): Will the minister also table the special audit of Gordon C. Scott, dealing with the same matter? I should like to have that report also.

Mr. KING (Kootenay): I shall be very glad to table that also.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PROPRIETARY ARTICLES TRADE ASSOCIATION

Mr. WOODSWORTH (Winnipeg North Centre):

What action has been taken or does the Government propose to take to protect the public against the operations of the Proprietary Articles Trade Association?

Mr. HEENAN: An investigation under the Combines Investigation Act was made into the operations of the Proprietary Articles Trade Association as an alleged combine of manufacturers and wholesale and retail druggists established to fix minimum resale prices on certain proprietary medicines and toilet articles. The commissioner, Mr. L. V. O'Connor, reported, on October 24, 1927, that the association was operating against the public interest. Immediately after the publication of this report the association withdrew its stop-list and ceased operations.

UNLOADING COAL AT HALIFAX

Mr. SMITH (Cumberland):

1. Is pier No. 9, in the city of Halifax, Nova Scotia, reserved for use of Canadian National Railways?
2. Was a large quantity of American coal unloaded at this pier during 1927?
3. If so, for whom was such coal unloaded?
4. By whom was such coal used?

Mr. DUNNING:

1. Not exclusively; portions being leased.
2. Not by or for the Canadian National Railways.
3. No information.
4. No information.

COLPTON MAIL CONTRACT

Mr. ERNST:

1. Was a new contract recently executed by the Post Office Department for the carriage of the mail from Colpton station to Colpton post office, Nova Scotia?
2. If so, who were the parties tendering, and what was the amount of the tender of each person?
3. Were any representations made to the department of the Postmaster General or any official thereof, respecting any of the parties tendering?
4. If so, by whom?

Mr. VENIOT:

1. Yes.

2. The amount involved being under $200 per annum, it was not necessary to invite tenders.

3 and 4. See answer to No. 2.

BARSS CORNER—NEW GERMANY MAIL CONTRACT

Mr. ERNST:

1. Was a new contract recently executed by the Post Office department for the carriage of the mail from Barss Corner to New Germany post office, Nova Scotia?

2. If so, who were the parties tendering, and what was the amount of the tender of each person?

3. Were any representations made to the department of the Postmaster General or any official thereof, respecting any of the parties tendering?

4. If so, by whom?

Mr. VENIOT:

1. Yes.

2. L. S. DeLong, Barss Corner, $779; Everett F. Langille, Barss Corner, $789.

3. Yes.

4. Government candidate for constituency.

PRICE OF FANCY DELICIOUS APPLES

Mr. STIRLING:

1. The producer in British Columbia receives $2.35 for a box of extra fancy Delicious apples containing about 140 apples, and out of that he pays the cost of their production.

The consumer is paying, on the average, 7½ cents apiece to-day in Ottawa, which is equivalent to $10.50.

2. What are the details of that spread?

Mr. MOTHERWELL:

1 and 2.

The following prices cover fancy Delicious apples, as prices for the extra fancy grade were not obtainable:

	Per box
Shipping point price, $2.35 to $2.60, mostly	$ 2 45
Freight to Ottawa	75
Heating charges	10
Brokerage	05
	$ 3 35
Wholesale price to retailer, $3.50 to $3.75, mostly	$ 3 75
Retail price to consumer, $4.25 to $4.50, mostly	4 50

When sold by the specimen the retail price is higher, ranging from 2 apples for 25 cents to 5 apples for 25 cents, according to size, average 4 for 25 cents.

[Mr. Ernst.]

DEPUTY MINISTER OF JUSTICE

Mr. ANDERSON (High Park):

1. What is the salary of the Deputy Minister of Justice?

2. Was not the salary of the Deputy Minister of Justice raised to $10,000 because the then deputy was able to and did personally attend and argue appeals before the Privy Council?

3. Does the present Deputy Minister of Justice personally attend and argue appeals before the Privy Council?

4. If not, why?

Mr. LAPOINTE:

1. $10,000.

2. No.

3. Since his appointment in 1924 it has not been found necessary to instruct him to attend personally before the Privy Council.

4. He has during that period been needed as deputy head of the department in Ottawa, where the work has been consistently increasing.

WELLAND CANAL

Mr. TELFORD:

1. On what date was the construction of the Welland canal commenced?

2. What amount has been spent on the construction of the Welland canal up to January 1, 1928?

3. What amount has been expended on the Welland canal in each year since the commencement of the work?

Mr. DUNNING:

1. During September, 1913.

2. $87,465,040.90.

3. Welland canal appropriations:

1905-06	$ 13,231 97
1906-07	10,825 27
1907-08	8,300 34
1908-09	19,993 37
1909-10	9,979 91
1910-11	21,229 35
1911-12	23,138 60
	$ 106,698 81

Welland ship canal appropriations:

1912-13	$ 112,890 92
1913-14	994,257 60
1914-15	4,074,200 69
1915-16	4,909,732 51
1916-17	3,513,769 82
1917-18	1,235,046 59
1918-19	1,823,875 96
1919-20	3,499,963 35
1920-21	5,070,297 57
1921-22	5,429,566 86
1922-23	6,404,157 18
1923-24	7,192,506 60
1924-25	10,097,045 62
1925-26	11,863,209 14
1926-27	13,988,961 74
April to December, 1927	11,362,635 52
	$ 91,678,816 48

Less: Plant sold and collected for during fiscal years 1921-22 to 1927-28, inclusive.. ..	4,213,775 58
Cost to December 31, 1927..	$ 87,465,040 90

Expenditures prior to 1913-14 were for surveys and investigations preliminary to commencement of construction work.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPORTATIONS AND IMPORTATIONS OF BUTTER

Mr. GEARY:

What is the total amount of butter and the value thereof in each month from April 1, 1926, to January 31, 1928: (a) exported to Great Britain; (b) exported to other countries; (c) imported from Australia; (d) imported from New Zealand?

MAIL CARRIER ROUTES IN PICTOU COUNTY, N.S.

Mr. CANTLEY:

1. How many mail carrier routes are now maintained in the county of Pictou, Nova Scotia?
2. What points do these cover?
3. What is the mileage of each?
4. What is the remuneration paid for each route?
5. What is the name of the contractor?
6. When does the present contract cease in each case?
7. What is the average cost per mile for these routes where one horse conveyance is used?

DISMISSAL OF POSTMASTERS IN NEW BRUNSWICK

Mr. JONES:

1. How many postmasters in the province of New Brunswick have been dismissed since October 1, 1926?
2. What are their names, the names of the post offices, and the federal constituencies in which said post offices are located?
3. How many of said positions have been filled to date, and on whose recommendations were the appointments made?
4. In how many and in what cases were investigations held?

RAILWAY SECURITIES—DATES OF ISSUE

Mr. WHITE (London):

What are the dates of issue of the various securities listed in schedule V, page 15, of the Public Accounts of 1927?

UNOPPOSED MOTIONS FOR PAPERS

NOVA SCOTIA LEGAL FEES

Mr. ERNST:

For a return showing the names of all persons employed as counsel or solicitors in the province of Nova Scotia during the calendar year of 1927 by the Department of Justice in the prosecution of cases arising out of the Customs and Excise Acts, and of cases in the Exchequer court arising out of seizures made by officials of the customs and excise service, showing the respective amounts paid to each of such counsel and solicitors.

ALMVICK TOWNSHIP INDIAN AGENT

Mr. MAYBEE:

For a copy of all correspondence, letters, telegrams, and other documents in the possession of the government, relative to the dismissal of W. R. Coyle, from the position of Indian agent, on the Indian reserve in Almvick township, Northumberland county, Ontario; and also all similar papers in connection with the appointment of his successor.

RENATA POSTMASTERSHIP

Mr. ESLING:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of Peter Friesen, from the position of postmaster at Renata, British Columbia, and similar papers in connection with the appointment of his successor.

CANADIAN NATIONAL RAILWAYS—STURGEON FALLS BRANCH LINE

Mr. LAPIERRE:

For a copy of all correspondence, letters, telegrams, petitions, and other documents in the custody of the government in connection with a demand for a branch railway from a point near Field on the Canadian National railway to Sturgeon Falls, Ontario.

MARITIME FISHERIES COMMISSION

Mr. FRASER:

For a return showing:—

1. The total cost of the royal commission investigating the fisheries of the maritime provinces, up to and including January 31, 1928.
2. The personnel engaged as members of such commission and as secretaries, stenographers, counsel, or in any other capacity.
3. The respective amounts paid or payable to each person engaged in any capacity with such commission up to and including January 31, 1928: (a) as fees, and (b) as expenses.

RELATIONS WITH SOVIET RUSSIA

Mr. SPENCER:

For a copy of all correspondence, telegrams, resolutions, orders in council, reports, or other documents in the custody of any department of the government of Canada, in any way relating to the breaking off of diplomatic relations with Russia during 1927.

Mr. MACKENZIE KING: In connection with this motion there is some correspondence with the British government on the matter, and before bringing down that part of the correspondence the government would wish to have the consent of the British government; otherwise the return will be brought down as it stands.

Mr. HEAPS: I think the Prime Minister made that statement to the house last Thursday. Has there been any reply yet from the British government?

Mr. MACKENZIE KING: Not yet.

SENATE REFORM

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Is it the intention of the government at this session of the house to take any action looking to the reform of the Senate? I have no reference whatever to the appointment of new Liberal senators.

Mr. SPEAKER: Notice should be given in the case of such an important question.

UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): Has the Minister of Labour received from any provincial government or any municipality throughout the Dominion a request that the federal government give relief in regard to the unemployment situation?

Hon. PETER HEENAN (Minister of Labour): We have not had a request to contribute, but the Premier of Ontario and, I think, the Premier of Manitoba, inquired if we intended to carry on the old system of contributing one-third.

Mr. HEAPS: Will the minister be willing to table the communications he has had with those two governments?

Mr. HEENAN: I will table them tomorrow.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed, from Thursday, February 16, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, when the leader of the opposition (Mr. Bennett) invited me to reply to the address on the budget of the Minister of Finance (Mr. Robb), I could not but accept the invitation as an expression of personal confidence and goodwill on his part; but the task of replying to that address and of setting forth as best I can the views and policy of the Conservative party in this house and in the country on the several matters enunciated by the Minister of Finance is, I find, a grave duty and responsibility and, therefore, I ask the indulgence of the house when I attempt to perform that duty.

The Prime Minister (Mr. Mackenzie King) in a recent debate endeavoured, as he frequently does, to distinguish between the expressions "equality of status" and "differences of functions." I presume he will not disagree with me in the suggestion that hon. members on this side of the house have an equality of status with members of the government and their supporters on the other side. The difference of function is one which, I think, he will also admit. We have had from the government from time to time the expression of their function in giving a very incomplete statement of the facts relating to the administration of the government and the financial and commercial conditions of the country. After the Minister of Finance has presented his budget, in which he confines himself to the truth but to a very incomplete statement of the truth, it is always necessary that members on this side should fulfil their onerous duty of placing the full facts before the country.

I notice that on the very evening on which the Minister of Finance made his budget speech, another gentleman, who is very prominent indeed, or who wishes to be so, in the public life of this country, made a speech in the city of Montreal in which he claimed for himself and one or two of his associates the full responsibility, and corresponding gratitude of the public, for all the advantageous results which the Minister of Finance had noted. I do not know and I cannot judge from personal knowledge of the capacity of Sir Henry Thornton as an administrator of the railways of this country, but apparently he thinks that the Prime Minister, the Finance minister and the Minister of Railways are mere lunary satellites who become known to the public only when they stand in the reflected light of his great sun or star. But in this house we must look to the ministers of the government, who have assumed the responsibility of the administration of public affairs in Canada for a statement and explanation of their conduct in the administration of their respective offices, and I think the government and parliament and the people of this country would be better satisfied if Sir Henry Thornton would not so often obtrude himself into matters of which he has only a partial knowledge and no experience whatever.

The Finance minister, in making his statement to the house, dealt with the net debt of the country, and, simply because Sir Henry Thornton has obtruded himself into this public discussion, I intend to reflect somewhat upon the part he plays in the administration and in respect of the net and gross liabilities of this country.

The net debt of Canada on March 31, 1927, was $2,347,834,370, showing on the face of the accounts a reduction of $41,896,729.33 in the net debt over that of the preceding year. And yet the national railway indebtedness, to the public only, increased in 1927 by $46,000,000.

The certificate of the firm of chartered accountants who have been employed for the first time by the finance minister to give a certificate as to the actual financial condition of the country, and who have audited the public accounts for the first time, contains the following:

We certify that the balance sheet has been compiled in a manner similar to the corresponding statements of previous years, and does not include in the net debt of the Dominion issues of the Canadian National Railway Company and companies included in its system, which carry the guarantee of the Dominion. The details of such guarantees are shown separately in the public accounts.

That I think is the first time that that specific statement has been placed in the return of the public accounts, and on that account it is interesting to note that the chartered accountants who have now for the first time audited the public accounts found it necessary in the fulfilment of their duty and responsibility to make that specific explanation.

The long term indebtedness of the Canadian National railways in respect of securities issued to and now held by the public amounted on December 31st last to $981,381,796 according to unrevised figures, but I assume they are approximately correct. A large portion of these securities are actually guaranteed as to principal and interest by the government; another portion are guaranteed as to interest only; but whether guaranteed or not, this government and the people of this country must accept full responsibility, morally and legally, for paying ultimately those liabilities; because, although they are kept in a separate account and are the liabilities of what I may term one branch of government, they are nevertheless the liabilities of the people of this country and ultimately must be paid by them. But the entire sum of $981,381,796, no part of which can ever be repudiated by this government, is not included to the extent of one dollar in the net debt of Canada as presented to parliament by the Finance minister in his budget speech.

The liability of the national railway system to the Dominion government for cash advances made out of the Dominion treasury on December 31, 1926—I have not the figures for December 31, 1927, but they will no doubt be given by the Minister of Railways—amounted to $507,848,511. It would be expedient, I think, on another occasion that the Minister of Railways should bring down his returns to this house so that they may be discussed in connection with the budget of the Finance minister with which they are intimately related. But let me remark that of this enormous sum of cash advances made by the government to the Canadian National railways not one dollar of interest has ever been paid. Only simple interest is computed thereon, and the simple interest up to December 31, 1927—I have not the exact returns before me—undoubtedly amounted approximately $226,500,000. In addition there is included, I may say by way of explanation, certain other amounts to which I have made no reference whatsoever. There is included in the long term indebtedness of the national railway, as shown by the balance sheet of the company, about $436,500,000, which represents approximately the amount expended by the Canadian government upon certain government railway lines, such as the Intercolonial, the Prince Edward Island railway, eastern branch lines, and the Transcontinental railway, which entered into the consolidation of the national railway system. That is another amount which is entirely excluded and which may properly be placed, as the Minister of Railways has contended once in my hearing in this house, in a different category from those cash advances to the amount of $507,848,500 which had been made by the Dominion government to the railway company itself up to December 31, 1926.

I may add that on December 31, 1927, the long term indebtedness of the Canadian National railways to the investing public was, as already stated, $981,381,796. The long term indebtedness to the Dominion government, subject to the explanation which I have made, was $1,225,046,995, including, as I say, the cash advances amounting to $436,500,000—and the total long term indebtedness amounted, on December 31, 1927, according to the unrevised report to which I have had access, to $2,236,428,791. I submit, Mr. Speaker, that those figures are sufficiently staggering to have received some comment and explanation from the minister who presides over the Department of Finance.

Now, the minister also laid claim to reductions in the net debt. He stated, according to the report tabled, that the net debt of Canada was actually reduced by $41,896,729, for the fiscal year 1926-27. That is true in the restricted sense that the accounts of the Department of Finance actually showed such

a reduction in the net debt. But there is this other department or branch of government, namely, the Canadian National railways, whose liabilities, as I have already said, and as I wish to emphasize, are not included in that statement of the Finance minister. When the Finance minister, therefore, reported a net reduction in the debt for the fiscal year ending March 31, 1927, if I remember, of $41,896,729, he failed to take into consideration the increases in the long term liabilities of that other branch of government to which I have called attention, which, during the calendar year ending December 31st last, increased its long term liabilities to the public—let me confine it to that, excluding its debt to the government for public advances—increased its long term public debt from $935,383,109 on December 31st, 1926, to $981,381,796, on December 31st last, an increase for the year of $45,998,697, approximately $46,000,000, in the net debt to the public on account of the railway alone, as compared with a decrease of $41,900,000 in the debt to the public of those other branches of government over which the Finance minister presides. When the minister made that statement of decrease in the public debt there was loud applause on the other side of the house. I fail to hear any applause from the other side now.

Some hon. MEMBERS: Hear, hear.

Mr. CAHAN: I am glad my friends from the west respond. They always treat me in the most chivalrous way possible. The Finance minister made a statement to the house and the country, and I repeat that it was far from being the whole truth.

Some hon. MEMBERS: Oh, oh.

Mr. CAHAN: Far from being the whole truth, and the statement which I am now making includes the truth in respect to the Railway department. The Finance Minister and some of his journalistic supporters throughout the country, when members on this side of the house, in attempting a solution of any public problem, present the whole truth, regard it as an unpatriotic action. I have only to say, with the best of goodwill to the Prime Minister and those who surround him, that I and other members on this side are not unwilling to enter into a comparison with him and his associates at any time and on any occasion with respect to the performance of our patriotic duty, and I may add that we on this side have as much disinterested loyalty to the best interests of this country as the Prime Minister or any other hon. member, even his most humble supporter or journalistic advocate.

[Mr. Cahan.]

The Prime Minister reported also a reduction in the net debt of Canada during the four years from March 31, 1923, if I have the figures correctly, to March 31, 1927, of $105,942,498.65—he was particular even to the sixty-five cents. That statement was also true in a restricted sense, but it was not the whole truth in respect of the reduction or increase of the liabilities of the government and of the people of this country. The fact is that the long term debt of the national railways to the public, excluding the original appropriations for the construction of the government lines, excluding the advances made in cash by the government to the national railway system, excluding the simple interest which has accrued on those cash advances—excluding all those things, the net debt of the national railways to the public alone, which amounted on December 31, 1923, to $823,099,056, was increased on December 31st, 1927, to $981,381,796, an increase of net indebtedness to the public in that time of $158,282,740, as compared with a decrease of $105,942,498 which the Finance minister showed in respect of the departments whose accounts he calculated in his return. If all the governmental accounts were kept as they should be, and the liabilities shown as they should be in the financial statement which the Minister of Finance annually submits to parliament, he would not have been able to announce a reduction in the debt in those five years of $105,942,498; he would have had to announce an increase in the net debt of the country during the same time of $52,340,000, on account of the increasing net liabilities of the government to the investing public during the four years mentioned.

Mr. BENNETT: By the people of Canada?

Mr. CAHAN: By the people of Canada, to the investing public alone.

On a proper basis of accounting the $65,000,000 of bonds which, as the Finance minister discloses, were issued by the Canadian National Railways as of July 1, 1927, guaranteed by the Government of Canada, would have appeared as a direct liability of the Government of Canada.

But these bonds do not, by the present system of accounting, appear as part of the consolidated debt, nor as a part of the net debt of Canada, although on January 1 last $60,272,764 of the proceeds of this loan had been expended—an amount which more than wipes out the Finance minister's estimate of $38,815,000 as the prospective reduction of the net debt during the year ending March 31, next.

The Finance minister continued:

It is with pleasure and satisfaction that once again we are in a position to propose further reductions in taxation.

He was not speaking of the rate of taxation. He was giving the impression—I think deliberately—to this parliament and to the people that there had been great reductions in the volume of taxation from year to year under the Liberal administration. He might have added, even in giving his own partial description of the facts for the sake of better clarity and greater verity, that the sales tax and income tax reductions—both reductions of special war taxes—were in fact reductions merely in increases of taxation which this government had previously imposed. They found the sales tax levied at the rate of 3 per cent; they increased it to 6 per cent. They then discovered that this rate was an intolerable burden on the country, increasing exorbitantly, as every per cent of it did, the cost of living. They first reduced it to 5 per cent, then to 4 per cent, and now they propose to reduce it to 3 per cent—just where they found it on attaining office. I think the opinion on both sides of the house is that when making their last reduction they should have announced the abolition of this tax, for thereby they would have done more than by any other single act of government to reduce the average cost of living in this country, which is so high in comparison with the cost of living in the same state of society across the border. They increased, two years ago, the income tax so as to impose double taxation on the incomes of all companies—once on the incomes as earned, and again upon the same incomes when distributed. Now, in a round about way—and apparently this government can never do anything frankly and directly—they propose to mitigate in some degree the burdens which they themselves had previously imposed, and which the people have found almost intolerable.

But apart from decreases in their own impositions of taxes, the volume of taxation has not been diminished since the Liberal party took office away back in 1921. In 1924 their excise taxes increased from $107,989,893 in 1923 to $123,668,847. In 1925, by reductions made of their own increase of taxation, the excise tax was reduced to $89,330,838—a decrease of $34,338,009 below 1924. Between 1924 and 1925 there was some reduction in the amount collected of other war taxes which were imposed by themselves. But, as I said before, except in these instances there has been no reduction in the volume of taxation annually collected. The total taxation collected rose from 409 millions in 1922 to 459 millions in 1923, to 479 millions in 1924. The total taxation then decreased by reason of the reduction in the taxes which they had previously imposed, and in 1925 the volume decreased to 395 millions. But the returns show that the amount of taxation increased next year to 443 millions, and again in 1927 to 471 millions. In the fiscal year 1927, which should have showed such enormous reductions in taxation according to the statement of the Minister of Finance, they obtained from taxation 61 millions of dollars more than in 1922, their first year of office.

I ask the indulgence of the house to place on Hansard a short statement, which may be examined by hon. gentlemen on both sides of the house, showing how these increases took place in the four years which I have briefly reviewed.

Mr. WOODSWORTH: Mr. Speaker, personally I do not object to tabular statements being placed on Hansard within reason, but I would urge that we have some sort of uniform action in this regard. It was only at the last session of the house—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: I think I am in order.

Mr. SPEAKER: Does the hon. gentleman rise to a point of order?

Mr. WOODSWORTH: Yes, your honour. On the point of order, I say I do not personally object to having certain tables placed on Hansard; I think it is a good thing; but I would remind the house that there ought to be uniform action in this regard. My colleague from North Winnipeg (Mr. Heaps) was stopped Thursday evening from placing such a table on Hansard. An hon. member objected, and the Prime Minister, supporting the objection, said he objected on behalf of the house to this practice. If objection is to be taken in the one case I think it should be taken in all.

Mr. SPEAKER: There is a rule of the house, and it is a custom also, that no document may be placed on Hansard without its being first read by the hon. member addressing the house. There is, however, a time-honoured exception in the case of the budget speech delivered by the Minister of Finance and the speech in reply by his chief critic. I think the house would be living up to its traditions by allowing the Minister of Finance and his chief critic to place certain statistics on Hansard. Otherwise it would have to be by unanimous consent.

Mr. MACKENZIE KING: Mr. Speaker, inasmuch as mention of myself has been made by the hon. member for Winnipeg North Centre (Mr. Woodsworth), I should like to say that he is quite right. I did take exception to his colleague putting on Hansard last Thursday a lot of material that he had in the form of a statistical table. At the time I think the hon. member mentioned that last session I had taken exception to an hon. gentleman opposite adopting the same course. In both cases I did so simply to uphold your honour in maintaining the rules of the house, and I still think that principle ought to be observed. Either we should alter the rule or have it observed. With respect to the time-honoured custom which you, Mr. Speaker, have mentioned, of giving to the critic immediately replying to the Minister of Finance a wider latitude than is granted to hon. members generally, I have no exception to take. Apart from that, I think it is the duty of every member to uphold the rules, and I believe we shall get further ahead if we make no exceptions.

Mr. WOODSWORTH: May I ask the Prime Minister whether he will have that rule observed—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would refer the house to Bourinot, page 365.

Mr. WOODSWORTH: I object to the statement being placed on Hansard.

Some hon. MEMBERS: Order.

Mr. CAHAN: The very simple statement which I am putting on Hansard gives the figures to which I have alluded and explains them, so that they may be open to further criticism if necessary. I should have no objection to reading them because, in this case fortunately, I am not limited to forty minutes. The statement is as follows:

Increase of Customs and Excise Duties
Increase of Taxation

1922—	
Customs duty	$121,487,393
Excise duty	36,909,899
Total	$158,397,292
1923—	
Customs duty	$133,803,370
Excise duty	36,259,654
Total	$170,063,024
1924—	
Customs duty	$135,122,344
Excise duty	38,616,038
Total	$173,738,342
1925—	
Customs duty	$120,222,453
Excise duty	39,005,343
Total	$159,227,796
1926—	
Customs duty	$143,933,110
Excise duty	43,370,231
Total	$187,303,341
1927—	
Customs duty	$158,966,367
Excise duty	49,139,913
Total	$208,106,280
1928 Estimates by minister—	
Customs duty	$153,600,000
Excise duty	57,000,000
Total	$210,600,000

Total Taxes Collected

1922—	
Customs and Excise	$158,397,292
Special War Taxes	251,386,774
Total	$409,784,066
1923—	
Customs and Excise	$170,063,024
Special War Taxes	289,624,767
Total	$459,687,791
1924—	
Customs and Excise	$173,738,342
Special War Taxes	305,705,108
Total	$479,443,450
1925—	
Customs and Excise	$159,227,796
Special War Taxes	236,494,996
Total	$395,722,792
1926—	
Customs and Excise	$187,303,341
Special War Taxes	256,524,653
Total	$443,827,994
1927—	
Customs and Excise	$208,106,280
Special War Taxes	262,890,761
Total	$470,997,041

Certain changes in the tariff and in the tariff policy of the country have been announced in this budget. Before proceeding to discuss these items, many of which are exceedingly difficult of discussion inasmuch as they call for a great deal of technical knowledge and skill, I wish to state what I believe to be the general tariff policy of the Conservative party in this house and in the country. We approve of tariff changes and generally of such tariff changes from time to time as the changing conditions of domestic industry and of foreign trade may require. In effecting such revision and the correlative readjustment of tariff rates we on this side

of the house stand by certain principles. These principles I intend to enumerate as best I can:

1. The stimulating and developing of our vast and varied natural resources.

2. The preservation and enlargement of the markets at home and abroad for Canadian farm products.

3. The establishment, extension and development of Canadian industries on stable and remunerative bases, so as to induce investments in Canada, of Canadian as well as foreign funds, and particularly so as to create and furnish such ever-extending and diversified employment to the Canadian people as will preclude any considerable emigration of Canadians to the United States of America for the purpose of seeking more remunerative employment in that country.

4. The stabilization in Canada of the costs of living and the costs of implements of production on such comparatively low bases as will enable our people, in producing and selling our surplus of national products abroad, to compete advantageously with the products of foreign countries in our common markets abroad.

5. The reduction of the customs tariff or the imposition of higher excise taxes, whenever and wherever necessary, to prevent the immoral use or abuse of the existing tariff, or any unfair advantage being taken of the tariff, as for example by those who would resort to profiteering by exacting unduly high prices for their products from domestic consumers, under the protecting elements of the existing tariff.

6. The adjustment from time to time of our preferential treatment of the products of the British countries comprised within the British commonwealth of nations, so as to modify preferences which are given at the expense of the Canadian farmer, dairyman or other industrial worker, and which tend to restrict domestic employment and decrease the general standards of living in this country; and

7. The promotion of the export and import trade of Canadian ports wherever possible.

This I understand to be a general statement, in my unexpressive language, of the tariff policy of the Conservative party in this house and in the country. We fully realize that in such a widely extended country as the Dominion of Canada the economic independence of any one section or of any one group or class is an unrealizable dream. We realize that each section and group are dependent upon each other section and group for the promotion of our common interests. We must stand or fall together in this country. No one section of Canada can suffer permanent injury without detriment to the whole body politic. In a word, we cannot conserve the economic interests of the whole country by promoting exclusively the interests of any one group or class. No one section of the country should be permitted to seek its sole aggrandizement at the expense of the whole body politic.

We recognize also that the monopoly of either trade or industry is often-times a source of economic evil, and, when such tendencies become manifest, they must, like every other public evil, be subjected to the control and restraint of this parliament. But we remember, and we affirm, that unfair and dishonest foreign competition is also prejudicial to the producers of this country, and measures for its due restraint are in like manner necessary and commendable. In every such case, however, such measures should be conceived and carried into effect for the general public interest of Canada, and not for the aggrandizement and profit of any particular group or class, no matter how closely associated they may be to the government of the country.

Experience has disclosed that each group or class or section of the country will tend to govern in its own interests when it has the opportunity and is irresponsible; but members of this parliament, on either side of the house, are, I suggest, representative of the whole Canadian nation, and as such they must exercise their authority without fear or favour in the interests of the Dominion as a whole.

The national policy as formulated by Conservative statesmen was designed, and admittedly designed, for the political unification and for the material and economic development of the whole country. Readjustments of the customs tariff for the encouragement of domestic industry were advocated only as one of the several elements of that policy. The national policy, in its broad outlines, contemplated the extension of the dominion from sea to sea; the opening up of the northern half of this continent to trade, traffic and transportation by railways and canals; the building of wharves and docks for the increase of commercial and shipping facilities; the intensive encouragement, on an extensive scale, of such primary industries as agriculture, forestry, mining and fishing; and, since men and women cannot live by bread alone, the national policy contemplated the establishment and extension in Canada of secondary

industries suitable to the existing conditions of this country, which will supply, so far as reasonably possible, the multifarious equipment, clothing, furniture, utensils and other things which satisfy the needs of our daily life. There are thousands of our own people who are not well adapted for the work of our primary industries of agriculture, mining, forestry and fisheries, and it is therefore necessary, if we would conserve the interests of the whole country, that we should establish from time to time those industries suitable to our necessities which will enable large classes of our people to obtain and retain employment in Canada, where they may contribute by their skill and labour to the economic welfare and advancement of our own country. The development of our primary industries being assured and safeguarded, the men who by their skill and labour in our domestic factories transform the raw materials of leather into boots and shoes, of coal and iron ore into iron and steel products, of wood pulp into paper, of wool into clothing and the like, are creating national wealth and promoting the general prosperity of the Canadian people. The secondary industries we maintain should be encouraged. But we must ever bear in mind that there can be nothing final in the political, industrial and commercial development of a widely extended country such as ours, which is only partly prospected, only partly explored, and its future progress and prosperity must depend upon our loyal, and sometimes our self-sacrificing, cooperation for the attainment of ends which we all have in common.

I obtained from the department of statistics a statement of the industrial production of Canada for the year 1926, and to save the time which would be consumed in reading it I ask leave now to have it inscribed upon Hansard.

Mr. WOODSWORTH: Mr. Speaker, I object.

Mr. CAHAN: The statement in question is as follows:

Industrial Production of Canada for Year 1926

Industry—	Gross	Net
Agriculture	$1,786,670,000 †	$1,340,000,000 †
Foresty	465,336,791 ‡	323,408,256 ‡
Fisheries	73,052,985	56,360,633
Trapping	14,290,861	14,290,861
Mining	279,674,780	240,437,123
Electric power	115,467,940	88,933,733
Total primary production	$2,734,493,357	$2,063,430,606
Construction	$ 431,917,233	$ 279,917,323
Custom and repairs *	105,908,000	67,687,400
Manufactures**	3,250,000,000 §	1,497,000,000 §
Total secondary production **	$3,787,825,233 §	$1,844,604,723 §
Grand total	$5,872,402,540 †	$3,582,309,593 †

* Statistics for custom and repair were not collected after 1922, and to effect comparability the totals for 1926 were estimated according to the percentage charge in the data for manufacturing.

** The item "manufactures" includes dairy factories, sawmills, fish canning and curing, shipbuilding and certain mineral industries, which are also included in other headings shown. This duplication amounting in 1926 to a gross of $649,916,050 and a net of $325,725,736, is eliminated from the grand total.

† Preliminary subject to revision.

‡ Partly estimated.

§ Estimated and subject to revision.

The net production of the industrial life of Canada, as estimated by the statistical branch of the Department of Trade and Commerce for the year 1926, eliminating all duplications, amounts to $3,582,309,593, of which we exported only $1,315,193,000 to foreign countries. Now those exports undoubtedly contained articles imported into this country which entered into the processes of manufacture here, and therefore when I am dealing with them I am giving the largest possible measure of advantage to exports. This clearly indicates the value of the domestic markets of this country which consumed over 63 per cent of the entire net production of Canada. Thirty-seven per cent, apparently, was sent abroad. In the United States, where industry is far more equally balanced, where there is a larger consumption in the country of primary products, where their exports of products—except in one or two instances such as cottons and tobacco—are largely manufactured goods which are constantly increasing, their foreign trade is only from about 12 to 13 per cent of their domestic trade; and I suggest that as our country becomes developed, as we cease to

send abroad our raw products to enter into the factories there and to give employment to the people across the border, we shall establish a better balanced trade, by developing our domestic consumption, which will necessarily restrict in some particulars the export trade of the country.

No one who closely investigates the items which compose Canada's imports from abroad can possibly doubt but that it is entirely feasible, under reasonable tariff conditions, to produce in this country, for domestic consumption, commodities of the value of several hundreds of millions of dollars, which we now import from foreign countries. We are now giving employment, under the system which we pursue, to tens of thousands of workers in foreign countries, instead of giving employment at fair wages to the people of Canada, who, in default of employment at home, are now migrating to seek employment across our southern border.

Agriculture in 1926, according to the statistics which I produce from the statistical branch, furnished throughout Canada about 37 per cent of the net production of all the industries of this country. In certain provinces agriculture largely predominates. I find that in Saskatchewan about 90 per cent of the net economic production was due to agriculture; that in Prince Edward Island the percentage was 84; in Alberta, 75; and in Manitoba, about 60. In each of the other provinces agriculture furnished less than one-half the net production. The three prairie provinces in which the production is so largely of grain, and Prince Edward Island where the production is also so largely agricultural, must, and we on this side of the house entirely agree, receive special consideration from this parliament, and that special consideration must result in this parliament conceding, from time to time, the special requirements which are necessary for the encouragement of that great industry. But while we must give every encouragement and assistance to the producers of the prairie provinces, we simply say that we must be careful not to discriminate against, and not to destroy, the industrial life of these eastern provinces upon which the welfare of so large a body of our population entirely depends.

The Minister of Finance suggested also that there had been a large increase in the trade of this country. I find that for the year ending March 31, 1927, there was an increase in imports, if you please, of $103,000,000, as compared with the previous year, 1926, and a decrease in exports of $61,100,000, a gross adverse alteration in our foreign trade of $164,100,000. Similar conditions have prevailed during the ten months ending January 1, 1928, as compared with the ten months ending January 1, 1927, resulting in an increase of imports for consumption of $57,000,000, and a decrease of exports of $35,350,000, another adverse alteration in our foreign trade of over $92,000,000 in ten months in the aggregate.

Another alarming feature, I suggest—and I stress it because I am going to refer to it in detail in dealing with the tariff schedule—is that this increase of over $160,000,000 in imports during twenty-two months is largely represented by manufactured products, which could be manufactured and produced in Canada, but which were almost wholly manufactured in the United States and then imported into Canada. The gross value of our imports of manufactured goods from the United States seems to be ever increasing, and of the proceeds of our exports of the products of the three prairie provinces to Great Britain we now use over $200,000,000 a year in cash to cover our adverse balance of trade with the United States. To cap the climax, I find that during the fiscal year 1927 we exported to the United States 1,608,657,174 kilowatt hours of electric energy to enable their factories employing American workmen, thousands and tens of thousands of them born in Canada, to produce for export to Canada manufactured goods which if produced in this country would have given employment to tens of thousands of our own residents.

In dealing with the new tariff schedule, allow me to direct attention to the real crux of many questions which arise in a consideration of the 159 tariff changes announced by the Minister of Finance. I suggest that the real question is not the rate of customs duty on imports, which enter into competition with the products of any Canadian factory. The Canadian factory pays customs duties on materials and component parts produced abroad, which are imported and enter, during the process of manufacture, into the Canadian factory's products. It is the net spread between the amount of customs duties which the Canadian factory pays on its imports of materials from abroad, and the amount of customs duties imposed upon its manufactured products, that enables the Canadian factory to survive in competition with the mass production or with the depreciated currencies and lower costs of labour of other countries, in which the cost of materials and wages have not risen as rapidly as their currencies have depreciated. It is this fact which guides the action of the Minister of Finance and enables him, on the one hand, to please his

western supporters by reducing the tariff rates on manufactured goods and, on the other hand, to appease the manufacturer by reducing the customs duties on the imported materials which are used in the manufacture of his completed product.

In the case of automobiles, for instance, the government at first reduced the net protection by lowering the tariff on the manufactured product, and they sought and received the acclaim of their western supporters. In the end they increased the net protection by reducing the tariff on materials and component parts imported, and also by reducing the sales tax previously imposed on the Canadian product, so as practically to maintain the same net protection and thus permit the Canadian industry to survive. I refer to that because I find the same tactics exemplified in the tariff schedules which have been submitted in the budget for the approval of parliament. But would not an intelligent public—because while you may deceive some of the people some of the time you cannot deceive all of the people all of the time—have more respect for the Minister of Finance and the government which he represents, if he did not resort to this sort of camouflage, but had the courage frankly to admit that by this indirect method he was endeavouring to please both wings of the divided party on which the maintenance of the government in power depends? In the end it is the producers of wool, hemp, iron and steel, and other primary Canadian products who suffer, and as a result of this and similar reductions of duties on raw materials, we find that Canadian growers of wool, dairy producers, and coal, iron and steel producers, are placed under serious disabilities, while their employees from year to year, as I will endeavour to show, are forced to emigrate and seek employment in the republic to the south.

Dealing with the new tariff, we frankly admit that, as trade and industrial conditions change, corresponding changes in the tariff are necessary in order to split up complicated schedules and to clarify existing schedules; but many of these new items, although intended for that purpose, seem to me to complicate matters still more thoroughly. I doubt if the Minister of Finance, in presenting his budget of tariff changes, took into his counsel the Minister of National Revenue (Mr. Euler) who has control of the department administering the customs, because I fancy that the experts of that department will for a long time find greater difficulty in ascertaining what some of the new schedules mean than they have ever had before in connection with any similar tariff items. It is difficult for one who is not an expert to determine the net result of some of the changes proposed. Owing to the variety of cotton products manufactured in Canadian factories I find that different factories are undoubtedly differently affected; but the new duties, as I will endeavour to demonstrate, will, I think, tend to turn over to United States factories a large share of the cotton business and particularly the coloured cotton business of Canada. Some Canadian mills may receive from some items of drawback or some items of customs duty a slight advantage as, for example, in the advance of duty on textiles of cotton mixed with rayon or on pure rayon textiles. Other mills, such as Wabasso, which confine themselves to particular branches of the trade, may reap some slight benefit from some of the changes made. Penmans will probably not be prejudicially affected so far as my vision goes, but I am not an expert. But the Minister of Finance, referring to these cotton schedules of the new tariff, said:

> Coupled with the general lowering of rates on the finished products is a lowering of rates on yarns and other materials used by manufacturers for further processes.

There we have the automobile trick all played over again, the second time in an attempt to appease the conflicting elements which I see on the opposite side of the house. This statement tends to create in the minds of one wing the impression that the customs duties have been lowered all along the line, and in the minds of the other that the net protection to the manufacturer has been maintained. But, continuing, the Minister of Finance said:

> In the proposed changes the needs of the Canadian consumer and manufacturer have been carefully considered, while incidentally the scope of the British preference has been materially widened.

Let me deal for a moment with the alleged widening of the scope of the British preference in respect of cotton fabrics. Four items of the new tariff, namely: 523, 523a, 523b and 523c cover all imports of cotton woven fabrics. Item 523a remains unchanged, evidently, as I think, and as I may suggest, for the purpose of quieting some friends of the administration who probably have special and irresistible claims. Consider first the British preference as shown in these four items. In item 523 the British preferential rate is 12½ per cent; no change. In item 523a the British preferential rate is 15 per cent; no change. In item 523b the old British preferential rate of 22½ per cent is reduced to 20 per cent—a reduction of 2½ per cent. In item 523c the old British preferential rate of 22½ per cent is reduced to 20 per cent—a reduction of 2½ per cent.

There is no change in the British preferential rates on two items; on the other two there is a reduction of 2½ per cent, from 22½ to 20 per cent. If this were all, there might be some substance in the claim of the Finance minister that he is enlarging the scope of the British preference. But the imports into Canada of British cottons are met in this market by a corresponding competition from the factories located to the south of the Canadian border. They, the Americans, are the chief competitors of the British manufacturers in our market. How are the American competitors treated in these cotton schedules? In item 523 the former general rate of 25 per cent against the American is reduced to 22½ per cent, while the British preferential rate is not reduced at all There is a difference of 2½ per cent in favour of the American manufacturer against the British. In item 523b the general rate against the American manufacturer is reduced from 32½ to 27½ per cent—a decrease of 5 per cent in favour of the American competitor. In item 523c the general rate against the American product is reduced from 32½ per cent to 30 per cent. There is another decrease of 2½ per cent in favour of the American manufacturer. I have prepared a short schedule containing only four tariff items showing the old and the new duties, which I will ask leave to place on Hansard:

	Preferential	Intermediate	General
Old item 521. Unbleached cotton.. ..	12½	22½	25
New item 523. Unbleached cotton.. ..	12½	20	22½
Reduction..	0	2½	2½
Old item 522. Bleached cotton..	15	22½	25
New item 523a. Bleached cotton.. ..	15	22½	25
Reduction..	0	0	0
Old item 523. Coloured cotton..	22½	30	32½
New item 523b. Coloured cotton.. ..	20	25	27½
Reduction..	2½	5	5
Old item 523. Coloured cotton.. .. .	22½	30	32½
New item 523c. Yarn dyed..	20	25	30
Reduction..	2½	5	2½

Average reduction in preferential 1¼ p.c.
Average reduction in intermediate 3⅛ p.c.
Average reduction in general 2½ p.c.

The result is that there is an average reduction in the preferential rate in favour of Great Britain of 1¼ per cent, and in the intermediate tariff of 3⅛ per cent. The Minister of Finance is giving foreign goods coming in under the intermediate tariff a better rate than they ever had before, while the general rate against the Americans is reduced by 2½ per cent. Between the British manufacturer and his American competitor in the Canadian market, the American manufacturer, I repeat, in respect of three of the four items, which cover the whole bulk of the imports of cotton fabrics into this country, is placed on a more advantageous basis by either five per cent or 2½ per cent in competition with the British manufacturer. If reducing the tariff in favour of the Americans more than you reduce it in favour of the British, and giving the American competitors a better opportunity of competing in the Canadian market, is enlarging the scope of the British preference, I do not understand the meaning of the English language. I do not make any reflection upon the Finance minister. He, as all hon. gentlemen know, is a genial gentleman who is esteemed on this side of the house as fully as he is on the other, but evidently his intellectual qualifications, like those of the Prime Minister, are somewhat limited in certain circumstances, and he apparently has been misled by some of his advisers into making the mistakes which he did make in the house in delivering his budget speech.

Now look at this situation. The imports of all classes of cotton fabrics from Great Britain were in 1921, 33,320,613 square yards, and in 1926, 35,161,338 square yards, or an increase in the imports of cotton fabrics from Great Britain in five years of nearly 2,000,000 yards. On the other hand, under the tariff as it then stood, the imports of all classes of cotton fabrics from the United States was in 1921, 36,648,986 yards, and in 1926, 30,616,-076 yards. Under the tariff as it stood until

last week, therefore, the American factories lost 6,000,000 yards of Canadian business. The Finance minister, whether he intends it or not, by reducing in greater proportion the general rate on American fabrics, is in fact restoring the American factories to their former position of pre-eminence in the Canadian market.

Mr. DUNNING: Does my hon. friend suggest that the American factories ever were pre-eminent, to use his own word, in the Canadian market?

Mr. CAHAN: My language will stand. Whatever I said I will stand by. Their position was certainly pre-eminent over the British position, and if the hon. gentleman can take any other meaning or implication from my remarks, he is welcome to do so.

Let us look at another characteristic of the new tariff. It is impossible in the time at my disposal to review, separately, all of the 159 items. They will be considered in committee—

Mr. DUNNING: You have all the time you want; you are not limited at all.

Mr. CAHAN: I am glad the minister welcomes discussion. I trust I am supplying him with a certain fund of information which will enable him to weigh well the merits of the tariff schedules produced by his colleague.

Item 569c covers the materials usually imported for use in the manufacture of hat bodies or shapes. All imports covered by this item were free under the old tariff, but the Finance minister was so obviously intent upon "widening the scope of the British preference," as he did in respect of cotton fabrics, that he has left these imports from Great Britain under item 569c free of all customs duty, and he has imposed a duty of 7½ per cent on imports from the United States. That differential rate against American products would assist probably in promoting British trade to the Finance minister's assumed taste.

Now let us look at the drawbacks payable on these same imports from the United States, as shown by item 1029. You will observe that imports from the United States of materials entering into the same articles, which are subject to the 7½ per cent rate, are also entitled to a drawback of 99 per cent when used by Canadian manufacturers "in the manufacture of such articles in their own factories." The Finance minister first gives the British producer a preferential rate of 7½ per cent, but in the result he fails to maintain for the British producer a preferential rate of 7½ per cent, but only one one-hundreth part of it—thus widening the scope of the British preference! There is an old saying I used to hear, that the Lord giveth and the Lord taketh away; blessed be the name of the Lord. The Finance minister gives a preference in one item of the tariff, and then takes away 99 per cent of it in another. Surely all parties interested should praise the name of the Finance minister for his benign extension of the scope of the British preference. On the other hand the American manufacturers, if they are somewhat dismayed by the reduction of 7½ per cent in favour of the Britisher, will thank the Lord that we have an amiable Finance minister in Canada, one who turning around takes 99 per cent of that reduction off in favour of the factories in the United States.

That is amusing, but there is a serious side to it all. Unhappily the predilections of the Minister of Finance in favour of the Britisher, which he never carries into effect, coupled with his predilections in favour of his American competitor, which he always carries into effect, preclude him from seriously understanding the needs of Canadian workmen and Canadian workwomen who have so far resisted the economic urge to leave their own country and take up permanent residence in the United States.

Let me refer to woollens. The Minister of Finance tells us that it is proposed to aid the Canadian weaving industry by granting free yarns for weaving purposes; that the importations of woollen and worsted yarns are large, and that the proposed change should be of material assistance to the industry. This time he evidently means the industry in Canada. The manufacturers of woollen cloth in Canada may well fear Greeks who, like the Finance minister, come bearing gifts. The woollen trade knows what the Minister of Finance evidently has never realized, that there is not now and there have not been any importations of woollen yarns into Canada for the manufacture of woollen cloth. The 55 woollen mills in Canada all spin their own yarns for the manufacture of their own woollen cloth; the mills manufacturing tweeds, overcoatings and so on in Canada are equipped with machinery to carry out all the processes of manufacture from the raw wool to the finished fabric; and the same thing applies to mills in England, France and Belgium as well as in every other part of the world where this industry exists. Under the former tariff the lowest rate on woollen yarns under the British preference was 12½ per cent. None were imported into

Canada, not because of the duty but because neither in England, nor in Belgium, nor in France, nor in any other country of the world, do manufacturers ever export woollen yarns for the manufacture of woollen cloths abroad. There is no source of supply even if it were desired to import these yarns into this country, and therefore the imports are negligible. These woollen yarns are now made free of duty. Perhaps the Minister of Finance has the hope that by putting them on the free list he may encourage the establishment in foreign countries of an entirely new industry, that of manufacturing woollen yarns for export to Canada to be used in making woollen cloths, although that trade has never existed up to the present time.

I am referring at the moment exclusively to woollen cloth mills in Canada, which weave their cloth from woollen yarns, which they spin with their own machinery after preparing their own raw material for the spinning. These mills, consequently, provide the maximum amount of labour in the community in which they are situated, and placing woollen yarns on the free list and taking away the duty of 12½ per cent formerly imposed under the preferential tariff will give no relief whatever to the woollen cloth mills of this country. The offer to those factories of free woollen yarns reminds me of a fable I once heard about a donkey which in company with a dog, had been locked in a stable full of hay. The donkey, having a generous instinct, offered the hay to the dog to appease its hunger, with the inevitable result that the dog starved. In order to resuscitate the woollen industry in Canada, which demands his earnest attention, the Minister of Finance has given them something which, under present conditions, is not of one iota of benefit to them.

But the minister makes another familiar gesture. He offers the owners and employees of these Canadian woollen cloth mills the privilege of importing their machinery free of duty, if you please. What value to them is duty free machinery when they now have more machinery idle than they have in operation? Last week the unfortunate owners and employees of these mills were waiting anxiously for the budget in the hope that it would bring down something to provide work for their idle machinery, and now they are told that they may import all the machinery they wish, duty free. I say to the Minister of Finance that what they need is not free machinery but rather a Canadian market, and orders in the Canadian market, which will employ a large proportion of this machinery which is now idle. The gesture of the minister is like leading a starving man to a table covered with fine dishes, glittering glass and polished cutlery, but containing not even a crust of food. There is not even a crust offered in this budget for the alleviation of the present depressing conditions in the woollen industry in Canada.

More woollen cloth is used in Canada than worsted cloth, and there is more woollen cloth made in Canada than worsted cloth. The same statement applies to importations; more woollen cloth is imported into Canada than worsted cloth. From the Bradford Chamber of Commerce Journal for January, 1928, I learn that the export of woollen cloth from Great Britain to Canada for the eleven months ending with November, 1927, amounted to 16,247,500 square yards, with an export value of £2,368,169. The exportation of worsted cloth was about half that figure, amounting to 8,379,200 square yards with an export value of £1,184,710. Look at the condition of the woollen mills in Canada. I have before me a report of their condition as of January of the present year. At that time in Canada there were twenty-one mills closed, having 327 looms idle; twenty-five mills were operating, having a total of 938 looms, 466 of which were operating, with 472 idle. There were nine other mills in Canada from which I have not been able to obtain reports, but, for the sake of comparison, I will assume that the 81 looms in these mills were all operating. That would show that in the 55 mills, which still exist in Canada, which have not been destroyed and wiped out, there are 1,346 looms, of which only 547 are operating, with 799 idle, and now they are to have the advantage of importing more machinery free.

Of the worsted cloth mills at present remaining in Canada only six are operating, with 474 looms. For each idle loom an average of three and one-half operators are put out of employment, in connection with the actual operation of the looms. Even if these woollen cloth mills could use imported woollen yarns, the only result would be that their spinners of yarn would be thrown out of employment and forced to go across the border to the United States. But let me tell the hon. gentleman for his information, that if the manufacturers of woollen cloths are to continue to fabricate woollen cloths of the quality and design which suits the Canadian market, then they must continue in their own factories all the processes and operations of fabricating woollen cloths direct from the wool. There is, as I said before, no world trade whatever in woollen yarns at the present time, and the

only effect of this change in the tariff schedule will be to induce foreigners to undertake the business of exporting woollen yarns.

Let me deal for a moment with the worsted cloth mills. There are, as I said, only six worsted cloth mills in Canada, operating 474 looms. The Minister of Finance may suggest that the woollen cloth mills which are idle—and which seem likely to remain idle under the present provisions of this amended tariff—might be turned into worsted cloth mills. I submit to him that the technique of making woollen cloths and worsted cloths is so different that it is impossible that the managers and employees of one should turn over and work the other. They are trained for the one, and they are not trained for the other; and he might as well suggest that I should give up my practice of the law and turn it over to my hon. friend the doctor who sits to my right (Mr. Manion), and that he should turn over his medical practice to me, and that we would be equally successful in our new positions, because we happen to be graduates of the same university.

Mr. DUNNING: It might be good for both your clients.

Mr CAHAN: That is quite impossible, and I venture to say that none of my clients is so stupid as even to suggest that.

Mr. MANION: And I might add, neither are mine.

Mr. CAHAN: Worsted yarns for making worsted cloths are, however, standardized the world over, and they can be bought to specifications by cable in England, France or Belgium. The old tariff imposed the low rate of duty of 12½ per cent under the British preferential schedule. These worsted yarns are now made free of duty. Personally I do not know the business sufficiently to predict what the result will be. I do know that one or two of these worsted weaving mills now existing in Canada do import largely of worsted yarns, but on the whole the quantities of worsted yarn now made in Canada by the Canadian mills are larger than the quantities imported. In other words, the worsted mills in Canada now make the bulk of their own yarns. If these worsted yarns are to be placed upon the free list instead of being encouraged by a 12½ per cent duty—which I do not think even my western friends would complain of—the result, so far as the spinning of yarn is concerned, will be to diminish their home production, with the result that Canadian workmen and work women must suffer lack of employment.

Now, one other phase, and I will not keep the house very much longer.

[Mr. Cahan.]

Some hon. MEMBERS: Go right along.

Mr. CAHAN: I refer to the steel and iron industry. On January 18 last the hon. Postmaster General (Mr. Veniot) representing the government of Canada, in discussing at St. John the Valley railroad and the bounty to the Sydney steel plant, said, as reported in the Telegraph-Journal:

> These two matters, however, were receiving the serious consideration of the government, and within a few weeks the policy would be divulged which, he thought, would make every maritimer feel proud.

Having been originally a maritime man myself, I looked through the tariff schedules with great anxiety to see how the steel industry was thereby being encouraged in Canada, and all I could find were the items allowing to the worsted mills and the woollen mills the importation of free machinery—which they did not need—and one or two removals of duty on locomotives and that sort of thing, all of which could very well I think, except for certain specified patterns or types, be manufactured in Canada. But I call the attention of the Minister of Finance to the present condition of the iron smelting and steel making trades in Canada. I find from a report made by Mr. F. W. Gray, which was published in Iron and Steel of Canada, January, 1928, this depressing condition of affairs:

The Dominion Iron and Steel Company, Sydney, Cape Breton, has six completed furnaces, at the end of October, 1927, it was operating only one.

Only one, I understand, has been put in operation since that time.

The Nova Scotia Steel and Coal Company's blast furnaces have been continually idle for the last five years.

Londonderry Iron and Mining Company, Londonderry, Nova Scotia, had one furnace which was idle and has since been abandoned.

Canada Iron Corporation Limited had two furnaces at Drummondville, Quebec, and one at Radnor Forges, Que., both idle and dismantled.

Standard Iron Company of Canada, Deseronto, Ont., has one furnace at Deseronto and another at Parry Sound. They have both been standing idle for years.

The Steel Company of Canada, Limited, Hamilton, Ont., has two large furnaces. One only is in partial operation.

Canadian Furnace Company, Limited, Port Colborne, Ont., has one furnace, which has been continuously idle since November, 1924.

Algoma Steel Company Limited, Sault Ste. Marie, Ont., has four furnaces, and only one was in operation in recent months.

The number of persons employed and the wages and salaries paid have been reduced between 1920 and 1926 in the following proportions:

	1920		1926	
	Persons employed	Wages and salaries paid	Persons employed	Wages and salaries paid
Blast furnaces and steel mills.. ..	13,874	$ 22,824,530	6,014	$ 8,934,536
Secondary plants..	101,887	135,860,417	75,400	125,229,867

The total of men employed has been reduced from 115,761 in 1920 to 81,414 in 1926. I might go into the whole question as elaborated in this report and show that in 1926 for producing a total value of $496,000,000 of completed iron and steel products, the output of this country, there was imported $255,000,000 worth of material which could have been produced at home, thus giving employment to our own workmen and our own country. Out of the entire manufacture, representing over $500,000,000, only $41,000,000 worth of primary products of Canadian origin was utilized. If the Minister of Finance will look into this record of idle blast furnaces, of unemployed men, of declining production of primary products within Canada, he will find sufficient to show that the earnest attention of this government should be given to the consideration of this vital industry of producing iron and steel, the prosecution and development of which is absolutely essential to the economic independence of this country. It is one of the most serious problems we have to face. We admit there are difficulties; but the government are there to consider serious difficulties and to suggest some improvement. And up to the present time they have absolutely failed. My own native province of Nova Scotia is more deeply involved in this regard than perhaps almost any other part of Canada, but I will not go into that question because there are others here—especially my colleague from Pictou (Mr. Cantley)—who are far more competent to deal with it. It was with a feeling of very considerable disappointment that the people throughout the country generally scanned the changes in the tariff made by the Minister of Finance, for they offer no relief whatever to this depressed and ever-vanishing industry.

The whole problem of immigration, to which this parliament is asked to-day to give special attention by sending a resolution on the question to the standing committee on agriculture and colonization,—I say, the solution of the whole problem of immigration into this country and of emigration from this country depends upon one thing and one thing only: It depends in the final analysis upon providing remunerative employment throughout the Dominion to our own people and, as well, upon giving equally remunerative employment to those people whom we seek to induce to come and settle here. This is the problem which, from year to year, confronts the hon. gentleman who sits in the office of Minister of Finance. But it is a problem to which he appears not to have given the slightest possible attention. He comes to this house year after year and tells us of the enormous development of our import trade, while year by year our own factories are idle, our own industries are diminishing and our Canadian workmen are being driven out of employment, and while, year by year, we are giving to American factories, which have the advantage of selling their manufactures in their larger market, the privilege of controlling the markets of Canada as well. If hon. gentlemen opposite intend to fulfil their whole duty and responsibility of promoting the advancement and progress of the country which Providence has committed to our charge, they cannot overlook, they must not overlook, the absolute necessity of providing more varied and more extended employment for our people. This is a matter that comes home to my heart because, while I sit in my office in Montreal, month after month I am besieged by young men from the technical colleges and the universities, young men who have served their time in our industrial concerns, who cry, "For goodness sake, Mr. Cahan, can you not find employment for us in this country—this country in which we were born and bred?" And what can I do? I have to tell them that I am utterly incapable of doing anything to help them under present conditions, with the result that they take the night trains for the United States and enter into industry there. I tell hon. gentlemen that in a country such as ours, with our large agricultural industry, which is growing from year to year, and with our industrial development, depressed though it is, there should not be one native-born Canadian who could not to-morrow or a week hence find profitable employment somewhere in this Dominion in some of our diversified industries. Until hon. gentlemen give to this problem the attention which it demands, and find a solution, we

shall never have the development of Canada placed on a permanent, stable basis. Until they solve this problem of unemployment we shall simply be raising families of sons and daughters and educating them here at our expense to qualify them to take up their vocations for life in the neighbouring republic.

Providence has committed to our charge and responsibility, temporarily under this government, one of the finest countries ever created, and we are making such a mess of the administration of it that we cannot retain our own people at home nor, without paying millions in bonuses, induce people even from the starved areas of Europe to come here and settle and make their permanent homes here. I therefore ask leave, Mr. Speaker, to move in amendment, seconded by the hon. the leader of the opposition (Mr. Bennett):

That all the words after the word "that" be struck out and the following substituted therefor:

This house regrets that the measures proposed by the government do not tend to provide increased employment in Canada, nor to induce the return of Canadians to their native land, nor to prevent the continued emigration of our people to the United States; and that they make no provisions for the preservation of our domestic markets for Canadian farm and dairy products, nor for the effective development of the natural resources of the country, nor for the abolition of the sales tax by the 1st of January 1928—

That is wrong; I should have read, "1929."

Mr. MACKENZIE KING: Perhaps I can help my hon. friend. I will give it to him; it is here in the evening paper of to-day.

An hon. MEMBER: He doesn't need help.

Mr. BENNETT: It is better than having the budget speech out before it is delivered.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, as, unlike the hon. member for St. Lawrence-St. George (Mr. Cahan), my time is limited to forty minutes, I shall not endeavour to emulate his exhaustive analysis of the budget proposals, nor is it my intention to comment in any way upon his address. With some of the remarks he has made in a most excellent address I am in entire accord. To some I might take exception. But I shall say nothing further than this: I listened with intense interest while the hon. member indicated and outlined the tariff policy of the Conservative party as laid down at the convention in Winnipeg last October. I think that it warrants the term which is used in that connection. For years we have listened to a plea for stability in tariff matters. Now "flexibility" has taken its place, and I gathered from the hon. gentleman's remarks, as I followed his interpretation of the policy, that it provided for these things: for the manufacturer it suggested "adequate protection" without using the words; to the farmer "low cost of production"; to labour "steady employment at remunerative wages"; and to the consumer in general "protection against exploitation and increase in the cost of living." I can only say, Mr. Speaker, that if any tariff policy could bring about all these beneficial results I think the country as a whole would welcome it, and would adopt it as a truly national policy. The thought was in my mind, as I listened to his speech, and as I remembered some statements made by the present Prime Minister in former days, that the Conservatives at the present time have apparently adopted in toto the fiscal policy of the premier at that time; and I can only hope that what is suggested in some parts of the present budget proposals is not true, and that the Liberal party have not adopted as their policy the former policy of the Conservatives.

Mr. Speaker, in endeavouring to consider for a few moments the budget proposals brought down by the Minister of Finance (Mr. Robb), my first words must be words of congratulation to the minister for the manner of its presentation. It was brief and concise, characterized by clarity of expression and by an absence of cumbrous or unnecessary verbiage. It was characterized also by a refreshing absence of overmuch political boasting. I may also congratulate him on one aspect at least of the budget itself. It illustrated the fact, which is well known to the people of Canada, that not only is the minister a capable business man—and as such respected throughout this Dominion—but that he is also a diplomat and a politician of a very high order. To my mind, Mr. Speaker, this budget represents a clever and not unsuccessful attempt to reconcile and express the varying and conflicting interests and opinions which go to form the present Liberal party. To the one wing we find is offered a reduced income tax; to our manufacturers a lowering of tariff on some of the raw materials which enter into the goods that they manufacture; to the other wing we find a reduction of the sales tax offered and, I am free to say, a rather vague and indefinite suggestion of a general revision of the tariff. I hold, Mr. Speaker, that it is a clever and not unsuccessful attempt to reconcile all the varying opinions upon which the minister must depend for support.

I wish to consider for a moment the preamble to the budget itself. That preamble includes two statements of some moment. The first is the following which I quote:

> Seldom have the annual statements from leaders of finance and industry throughout Canada so generally reflected such progress and prosperity as that of the year 1927.

Mr. Speaker, the claim that we in this country are enjoying increased prosperity has frequently been made by successive ministers of finance, and not infrequently with less reason for the statement than exists at the present time. I can well believe that from the point of view of those leaders of finance and industry referred to by the minister the assertion is in this case indisputable. Undoubtedly there is an increase in the volume of business being done within this country, increased dividends are in many instances being paid, and our banks, trust and insurance companies are becoming the depositories, and to some degree the beneficiaries, of an increasing volume of wealth. This question, however, is being asked by hundreds of thousands of men and women in Canada to-day: Why, in view of these visible manifestations of increased wealth it is so difficult, in many cases so impossible, for individuals to secure any share of that wealth for their own personal requirements. While business is increasing and wealth accumulating, tens of thousands of our workmen throughout this country are in receipt of a scale of wages far below the amount necessary to maintain a decent standard of living according to the computation of the Department of Labour. Thousands of our farmers are fighting to make ends meet, working under conditions and home surroundings which many of us here can not visualize, which none of us would tolerate, and content and satisfied if at the end of the year they have been able to hold their own. Moreover, hundreds of our small tradesmen and professional men throughout this country are struggling in that morass which has engulfed so many of their kind and forced them into bankruptcy. This question demands an answer. I cannot answer it, but I may suggest a line of inquiry which, if followed to the end by men more able than myself, might assist in the solution of this problem. The tendency of modern civilization is to concentrate our population in a few large centres, to centralize industrial production in large and larger units, and to concentrate the control of both industry and finance in the hands of a decreasing number of increasingly wealthy individuals and groups of individuals. In the limited time at my disposal I have not the opportunity to discuss whether this system is unavoidable or not, or whether it is good or bad. I will say this however: That through a multitude of channels is drawn to these centres a large part of the profits made in this country by the industry of men and women throughout the whole countryside. On the other hand the back channels through which these profits should again flow to irrigate the countryside, and freshen and brighten the lives of our people, seem to have been overlooked or are obstructed. Or to put the same thought into other words, centralization while it tends to efficiency in production, tends also to the most appalling inefficiency in distribution both of profits and of products. To solve this dual problem of distribution, possibly through cooperative effort, is a task towards which the best minds of the country both in the government and outside their ranks might well turn their serious and earnest attention.

Since I was a small boy I have worked on a farm or have been closely associated with men who have worked on and are working on farms, and I am inclined to believe that the same conditions which apply there apply largely to all classes of industries. We find men and women working day by day intelligently and industriously at hard manual labour; we find them very often working under admittedly unpleasant conditions, and we find them, in the case of the farmers at least, working for very long hours and yet apparently unable to provide for themselves and their families comfortable homes according to the modern standard of comfort, a decent comfortable standard of living and education, and some reserve in case of sickness or death. Why is that? It must be due to one of these two things. Is it because the workman as a whole, who is after all, in field and factory, in mine and forest, the great producer of our national wealth, receives an unfair remuneration for his work, or is it because he has to pay an unfair price for the things he has to purchase? One or other or both of these must be true, and due to my own circumstances during my life I have been face to face with that problem so that it has become a very real problem to me as it is to the people I represent. Again I would urge upon this house, regardless of any question of politics or parties, to concentrate on the problem of returning to the workingman of any sort, any class, whether manual or mental worker, a fair share of the wealth which he produces.

The next point in the preamble to which I should like to call attention is again an utterance of the minister. This is what he says:

> The statement of the nation's business will show conclusively that, notwithstanding our annual reductions in the rate of taxation, our revenues have been ample to meet fixed charges, take care of the ever increasing needs of a growing country, and provide also for a reduction of debt.

As regards the first part of that statement as to reductions in taxation I concur in the minister's statement, and I am afraid I cannot follow the reasoning of the hon. member for St. Lawrence-St. George (Mr. Cahan) and some of his colleagues. After all the true test as to the weight of taxation is not the aggregate amount but the percentage of income or business profits which is drawn into the channels of taxation, and while it is true that a greater aggregate and a greater per capita amount have been paid in taxes, still it is also true that reductions have been made and that the percentage of taxation on profits made—and by profits I mean all income secured in any way at all—is slightly lessened. Let me illustrate what I mean in this way. Assuming for a moment that the price of motor cars has been reduced—and I think that is a fair assumption at the present time—and assuming that, partly by reason of that reduction in price, so many more cars are sold that the aggregate amount and the per capita amount paid for cars within the country are greater than before, no one would argue from that situation that the actual cost of motor cars had not been reduced. That is an illustration of what I mean when I say that it is the percentage, the rate, and not the aggregate amount that should be taken ino consideration in discussing the subject of tax reduction.

But I cannot agree with the next statement of the minister as to the debt reduction, and I find myself drawn to the same logical conclusion as that expressed by the hon. member for St. Lawrence-St. George and on former occasions by others in this house. I have not the time to go into the back history of this country and I will not burden Hansard with any intricate computations. I will say simply this: We have in the same statement side by side the declaration of the minister that, after allowing for certain reduced assets, the net reduction of our national debt will amount to $38,815,000, while at the same time and during the same year $65,000,000 worth of Canadian National railway bonds were guaranteed by the government. A portion of that guarantee was simply a refunding matter.

[Mr. Speakman.]

An amount of some $20,000,000 indicates simply a change from a short-term, three-year guaranteed obligation to a long-term, thirty-year guaranteed obligation. It is simply a matter of bookkeeping and it neither adds to nor diminishes the total sum of our liabilities. The bulk, however, of the rest is a fresh liability on the part of the railways. I can conceive that if, as in the case of the Montreal harbour commission, for example, which had also guaranteed bonds to the extent of $8,000,000, the security within the company is ample to cover such bonds, the minister might say that it did not add to the liability of the country. But what are the facts in this case? It is generally believed and freely stated that the Canadian National Railways are at the present time over-capitalized. It is being suggested—and I concur in that suggestion—that the capital should be written down to a reasonable figure in order to allow them to have a fair showing in competition with other similar lines. If the railway is over-capitalized, this means that every available asset and every form of security it offers are mortgaged more than one hundred per cent. It means that there is no security in the railway itself for any additional loans or obligations, and we are in the position of a man who signs a note for another man who is mortgaged to the extent of every stick of furniture he owns, who has no assets of his own to meet that obligation. In that and in this case the guarantor becomes in fact the debtor. I shall leave that as my time is short and I simply wish to indicate my opinion and give some reasons for it.

I commend very heartily the minister's action in reducing the sales tax by 25 per cent. It is a tax which is cumbersome in operation and unfair in application. It pyramids as it reaches the consumer and becomes greater. It affects directly the standard and the cost of living and it hampers business in general. I think it was a proper move for the minister to reduce that tax at least to the extent he has done.

When I come, however, to the tariff proposals I am somewhat at a loss. I am without the intimate knowledge of certain lines of business that is possessed by the hon. member for St. Lawrence-St. George, and in the absence of comparative schedules, which the minister will table and which will be at our disposal at a later time, I am unable to arrive at any accurate or detailed knowledge as to what that revision actually means. The reclassification is carried on to such a degree; items are carried from one classification to

another, and no comparative schedules are given showing the actual reduction or increase made that it is impossible for me to form anything but a general estimate as to the line which has been followed in that tariff revision. One or two indications, however, are fairly distinct and clear. The first is that a large portion at least of this reduction does not tend and was not intended to give any relief to the consumers, but was intended, so far as it is effective—and I am not discussing the question of its being effective—to give manufacturers a little greater advantage by reducing some of the costs of the raw materials and the machinery which enter into the cost of the manufacture. With that I have no quarrel whatever. I am simply indicating what to my mind are the salient features of the budget. As to the general revision affecting consumers I shall say nothing; I am inclined to think the effect will be slight, but lacking accurate information I do not intend to give utterance to a premature opinion.

On one point, however, I am fairly clear, and that is the question of the British preference. The statement has been made that it has been amplified and enlarged. Again, I shall not follow the hon. member for St. Lawrence-St. George into his computations as to the exact meaning of the word. I wish to point out that accompanying the suggestion that the British preference is being amplified and enlarged comes the qualification that the percentage of the empire cost of production shall be increased from twenty-five to fifty per cent on all goods coming in under that preferential rate. Inevitably and obviously that provision will mean the effective curtailment of the quantity of goods coming in under that tariff. I am not saying that that is right or wrong; I am simply pointing out what would obviously be the effect. If you increase the percentage of empire cost of production from twenty-five to fifty per cent, you will inevitably curtail the quantity of goods coming in under that preferential tariff, and I cannot see how that can be called an amplifying or widening of the preferential idea.

There is another point in connection with the tariff to which I would like to refer, and that is in regard to the work of the advisory tariff board. Ever since my intelligence has led me to regard such a board as a fact-finding board, I have been in favour of it, but in view of the fact that the evidence brought before that board and the evidence elicited by it is not available to the members of this house, although it is available, I presume, to the government. I believe that the opinions of those who hold that that board is a smoke screen behind which the government can evade responsibility are at least partly justified. I took issue with that statement when it was first made because I conceived it to be a sound principle when we were dealing with the tariff that we should be in possession of all the information necessary to come to a conclusion, but if that information is to be only in the hands of the government and not in the possession of members of the house, then when the Minister of Finance says that the board has inquired into certain matters and certain findings have been made, I say that the government is to that extent shifting the responsibility from itself to the board, because it is not giving to the members of this house the opportunity to judge for themselves the value of the information brought forward. I urge upon the Minister of Finance that as soon as possible and at all events before another budget comes down an adequate appropriation be submitted to the house to provide for the perusal by members of parliament of the information brought before the tariff board to which they are entitled, and which they expected to receive when voting for its formation.

I come now, Mr. Speaker, to that part of the budget to which I take the greatest exception, and that is the reduction in the income tax, coupled with the statement by the minister that "it is proposed that the Dominion shall continue gradually to lighten the load in the income tax field". There is an inescapable inference to be drawn from that language and from the action of the government in bringing down this budget, and that is that the Finance minister and the government contemplate the gradual elimination of this form of taxation. I do not take issue with that on the ground imputed to myself and some of my colleagues by the daily press and by some hon. members to my right, that we object to any reduction in this form of taxation because we and the men and women we represent do not pay income tax, not having sufficient income to come within the scope of the act. It is possible, I believe in this house, and I claim that right for myself as I accord it to others, to discuss questions on their merits, without either imputing or receiving imputations that we are speaking from a selfish point of view. I do not impute to any gentleman here who votes for a reduction in the income tax the motive that he is voting for it because he has a large income and is therefore personally interested in a reduction, and I personally expect to have my own opinion respected in like manner. I am

opposed to this reduction on grounds that I shall give which appear to me to be sound as applied to the whole country.

First, I would say that this tax, with others, was instituted as a war tax to take care of the increased expenditure of this country consequent upon the war. Is that expenditure done away with now? Is that debt paid? Is the debt for which the income tax was instituted retired to such an extent that we are warranted in eliminating the tax?

Mr. GARLAND (Bow River): They have not scratched it yet.

Mr. SPEAKMAN: No. I have here a small estimate of what it costs. It is estimated that during the present fiscal year the interest on the debt attributable to the war, as segregated from all other debts, still amounts to $115,807,000. When you add to that the other annual expenses incident to the war, pensions, the expenditure in caring for our returned men and other expenditures due to the war, it amounts to an annual liability on the part of this country of $164,501,000, and I say that while that debt remains unpaid, so far as the finances of the country are concerned, the war is still with us, and so far as the finances of the country are concerned, I believe that it would be right and a sound policy to retain the tax which was instituted to take care of that debt.

But there is another reason. We have parts of this country crying for development, and we have men crying for assistance, and the answer to both has been that the state of the country's finances will not permit us to proceed with that development or afford that assistance. We have the great Peace River country—I speak of that because it is in the public mind just now—that great undeveloped area which, when properly developed, will bring huge returns to this country. The people in that area have been pleading for years for transportation facilities, for an open gateway to the sea, and the answer has always been that the road will be built in good time, but at present the finances of the country will not permit.

Again, we have throughout this country returned men, disabled to the extent of one hundred per cent, who cannot get pensions. Why? The finances of the country will not permit. Let us put ourselves in their shoes and ask ourselves what they will think when they see the income tax reduced—a tax which as at present applied imposes no hardship upon anybody, which does not affect in any way the standards of living because it does not apply below the point where the standard of living would be affected. When they see this money handed back to those able to afford to pay it, will they be inclined to accept the statement that the country cannot afford these other expenditures, this development and assistance that is being asked for? I think not.

There is another point. I will illustrate it by something I saw myself in my own district. On the 26th of July of last year, when the crops were looking splendid and the hearts of the farmers were rejoicing, a tremendous hail storm swept over the entire district, and thousands of acres were levelled to the ground. Not one bushel was left, not one blade of feed, not one dollar to repay the farmer for his year's labour. But these men, through indirect taxation, are out of their poverty forced to contribute their share to carrying on the affairs of this country. How will they look at this reduction in a tax that brings no hardship to anyone and is paid only by those whose income is high enough during the year to come under the tax.

I have another objection, Mr. Speaker, and from the point of view of the reputation of the Liberal party this is most serious. Year after year we have heard that the Liberal party is the party of low tariffs, and that one of their missions is to strike from the limbs of this nation the shackles of undue protection and so save us from commercial interests which might exploit us. It is of course obvious that the country requires a certain amount of revenue in order to carry on its affairs, and in my opinion it is impossible to curtail our present revenue. As the needs of this great country continually increase; as the need for development becomes greater and the requirements of certain classes of our returned men increase with old age and further disability, our total revenue must be greater rather than less. If you do away with direct taxation; if you eliminate the one alternative form of taxation, upon what will you depend for revenue? You must depend upon the tariff. If you eliminate the income tax and reduce the sales tax, you are driven more and more to this position from which you cannot escape, that to carry on the affairs of the country you must maintain a fairly substantial tariff or customs tax; there is no alterative. What then of the policies of the Liberal party? Are they prepared to accept that as the logical outcome of the attitude taken by the minister, by the government and by the party as a whole? Are they prepared to accept these consequences and to say to the country, "We have come to the conclusion

that our protestations in regard to the tariff were wrong; we no longer desire to reduce the tariff but we will even go so far as to put it out of our power to ever reduce it." That may appeal to some members in the house, but it certainly does not appeal to me and it certainly is not in accord with the proclaimed policy of the Liberal party. Yet that is the logical and inevitable result of this continual reduction and the eventual elimination of any alternative form of taxation.

I am not betraying any confidence now when I say that we have all gone to the minister and asked him for certain concessions or certain reductions in the tariff. Sometimes the minister has said, quite honestly, "The industry is in such a condition that to reduce the tariff would bring ruin to it." I respect that attitude, and so does everyone in this corner of the house, free traders though we all are on principle. We know that free trade would be better for our own particular class of people, but we are not asking for free trade altogether; we are asking for the greatest possible freedom of trade, compatible with the decent maintenance and development of industry throughout this country, and we ask for protection against exploitation rather than for the destruction of any industry. The answer to which I have referred is perfectly proper and logical, and we accept it as an honest answer. But there is another answer which we receive even more frequently, to this effect: "I would be very glad to do that, but the country has to have the money, and if this is done what are you going to offer as an alternative source of revenue? I offer this to the minister: Retain the income tax as it is. That is a suggestion which means that on his own computation about $5,000,000 or $6,000,000 yearly will be brought into the revenue of the country, which will make up for the loss occasioned by the concessions for which we have asked. So I take the minister at his word and offer him that suggestion when he asks what alternative revenue I can suggest to offset any lowering of the tariff.

Mr. Speaker, the forty minute rule, in my case, is a good one; I have said nearly all I wish to say except one last word. As I have indicated, unless and until the information brought out before the tariff board is placed at the disposal of every member of this house, I can only conclude that the minister is shirking the responsibility of making these decisions by appealing to that board; I can only come to that conclusion, until I have evidence to the contrary. I must decide that he is shirking the responsibility of putting into effect the platform of the Liberal party, and that he is shifting the burden of taxation from direct to indirect methods, and the weight of taxation from the shoulders of those who can best bear it to those who are least able to afford it. This calls to mind a statement which I heard, based on a few words spoken by the minister. In his address he urged upon us the necessity for work and thrift. Those are beautiful words, and I have heard this budget characterized as a work and thrift budget, but in view of the suggestion I have made some people in this country will characterize it not as a work and thrift budget, but as a shirk and shift budget.

Mr. A. A. HEAPS (North Winnipeg): Unfortunately I have not seen the Ottawa Journal this evening, and therefore I am not in a position to know exactly what is contained in the amendment proposed by the hon. member for St. Lawrence-St. George (Mr. Cahan). However, I suppose I shall have an opportunity to look over the amendment before eight o'clock and see how it appeals to hon. members in this corner of the house.

Mr. ROBB: If my hon. friend will allow me to say so, he is not in any worse position than the government.

Mr. HEAPS: I realize that, but we all know that it is nothing new for these things to appear in print before they are actually brought up in the house. I have been informed on reliable authority that speeches have appeared in the Montreal newspapers before they were actually delivered in the House of Commons here. However, in continuing this discussion I should like to say that I was very much interested in the opening remarks of the Minister of Finance (Mr. Robb) when introducing his budget. He said:

> Mr. Speaker, seldom have the annual statements from leaders of finance and industry throughout Canada so generally reflected such progress and prosperity as that of the year 1927.

I wonder why, in that statement, the minister left out any allusion to the farmers and the labourers of this country. Surely they should be in the minister's mind when framing a budget for the people of the Dominion of Canada; yet he referred only to the progress as reflected by the statements of the leaders of finance and industry. If I were a leader of finance or industry I know I should regard the budget as being very good, but not

being such a leader I cannot say that. I represent a working class constituency, where most of the men and women have to work for the money they get, and they cannot be classed in any way in that particular category referred to. Consequently I am compelled to view the budget as it affects the electors whom I represent, and I think that is the attitude which should be taken by every hon. member of this house in discussing this question. I presume that one of the reasons why the minister did not refer to anyone with the exception of leaders of industry and finance is because no one else has enjoyed prosperity.

Mr. GARLAND (Bow River): His conscience gagged at it.

Mr. HEAPS: I will not put it as baldly as that; I think there may be other reasons, because after the statements made in this house by the Minister of Immigration (Mr. Forke) and by others coming from farming communities, the minister might have known that he could not claim any prosperity among the farmers and workers of this country. Knowing that certain of the provincial governments had made requests for federal assistance to the unemployed, he must acknowledge that there is no prosperity among the workers here. From his opening statement I think it quite proper to infer that our farmers and workers were in no way prosperous during 1927. I admit there is a certain amount of prosperity in the country at the present time, but that prosperity is all at the top; it does not reflect itself at the bottom. What is prosperity? The fact that a bank manager, a railway president, or an industrialist, at an annual meeting, states that his particular institution has had a prosperous year is in my opinion no indication as to conditions throughout the country as a whole. I think prosperity reflects itself in the general condition of the masses, and when they are prosperous in Canada, then, and only then, can it be truly said that we are in a state of prosperity. At the present time there is not an hon. member, I do not care from what part of the country he comes, who can say that the masses of the people are experiencing prosperity; and so long as they are in a state bordering on poverty, only a few days removed from starvation, perhaps not even knowing where their next meal is coming from, I think it well that we should hear less talk of prosperity and should consider the actual conditions as we find them throughout the Dominion.

I want, now, Mr. Speaker, to deal for a few moments with another condition of affairs in which the minister took a certain amount of pride. He referred to our huge exports and their excess over imports. People are very easily deluded when figures of that nature are placed before them. I do not attach any great importance to such figures It is quite true that in the past few years we have been exporting far more than we have been importing. I think one of the reasons for this is that we have in the past imported so much capital that we are now repaying in goods some of our borrowings. I am using now the minister's own arguments in his budget speech. He claimed that in 1913 Canada had an adverse balance of trade of $29.61 per capita, and that in the same year India had a favourable trade balance. Now, because of that favourable trade balance does he mean to say that the people of India in 1913 were in a better condition than the people of this Dominion? That is the inference one must draw from the statement he placed on Hansard. Of course, it only goes to show the absurdity of trying to arrive at conclusions respecting the actual condition of a country by discussing the question of favourable or unfavourable trade balances. Invisible imports and exports have always to be taken into consideration, but the Minister of Finance omitted—conveniently or inconveniently—to mention this feature. In this house we have a number of farmer members, and I heard them applaud the statement that our exports were greater than our imports.

Mr. GARLAND (Bow River): You did not hear this corner applaud.

Mr. HEAPS: I apologize to my friends of the Alberta group. I am speaking of my friends opposite.

Mr. GARLAND (Bow River): The Liberal farmers.

Mr. HEAPS: Supposing a farmer has a couple of hundred head of cattle and sells 150: if he had been compelled by force of circumstances to get rid of his cattle would he be proud of the fact? I do not think any farmer would be pleased with a situation of that character. Having by necessity been compelled to dispose of the greater portion of his stock, probably at an inadequate price by reason of the forced sale, he would not at all feel happy. The parallel holds good nationally. We have in this country vast natural resources—natural resources which, I believe, ought to be the inheritance of our people. What have we done? We have bartered away many of those resources for a mere pittance. The result of that is shown

to-day in exports. In the past few years we have imported a vast amount of American capital; I do not know exactly how many hundreds of millions of dollars have been invested by American capitalists in the water powers and forest wealth of this country. As a result development is following along lines that obtain in the United States—we find "company" towns springing up. Recently, Mr. Speaker, I was at a meeting of the Montreal Trades and Labour Council, and I heard men state that when they had gone to these company towns in the neighbouring province, created by the importation of American capital, they were refused admittance. In other words, the Canadian people are denied the right to set foot on Canadian soil, controlled by American capital. What applies in some parts of Quebec also applies, as I know, in certain parts of Manitoba.

I wish also to deal with the implications that follow the importation of this capital from the United States. I am not one of those who look with kindly feelings towards American imperialism, especially as I see its workings and its implications in Mexico and Nicaragua. I have read statements of United States ministers, high up in the councils of their government, in which they claim that American capital wherever invested is entitled to the protection of the American government. That is a new international doctrine. The other night we listened to the hon. leader of the opposition (Mr. Bennett) discuss the diversion of water from lake Michigan by the Chicago drainage authorities, and in the course of his speech he quoted a statement by the late President Roosevelt in connection with the Alaska boundary. The very same problem is intensified to-day when we look at the amount of United States capital invested in foreign countries. You will generally find that those investments are followed later on by United States military occupation. I do not suggest for a moment that after the capitalists of the United States have secured financial and industrial control of a large part of the Dominion their government is going to do the same in this country as they have done in some of the South American republics, but the implications are there. Only in to-day's newspapers we read that some of the highest authorities in the United States claim the right for their government to intervene wherever American investments may be jeopardized. There is no telling when we may pass laws that may not be altogether to the liking of those to the south of us, and under such circumstances I can see us getting into a nasty squabble with the government at Washington. So long as we have American capital coming here I do not see how we can possibly avoid it. For my part, I would far sooner have waited a little longer, if possible, for the development of our natural resources than see the people of Canada become, in the language of the Bible, hewers of wood and drawers of water to American capitalists.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HEAPS: When the house rose at six o'clock I had just referred to the establishment by American capitalists of company towns in Canada. I do not mean it to be inferred from anything I have to say with respect to American capitalists that the Canadian capitalist is by any means a saint. However, the creation in this country of these company towns is something new, and something which I look upon with a great deal of disfavour. The men employed by these companies hardly dare call their souls their own. They are almost enslaved body and soul for a wage of from 35 to 45 cents per hour, and Canadians who attempt to enter these places are often prevented from doing so in spite of the fact that they are natives of this country.

The minister has reduced the income tax. By the reduction of that tax he is giving to these corporations an advantage which I do not think they are entitled to receive. It has been stated over the last week end, that the persons objecting to reduction of the income tax are those who do not pay that tax. I want to take issue with that statement. All taxation is paid out of production, and if there is no production there can be nothing to pay income tax with; and whilst it may be true that the farmer or the worker does not pay income tax directly, yet I claim that as they are the chief producers in the Dominion they thereby pay indirectly a large share of the income tax. I object to the reduction of the income tax because I believe it to be the fairest form of taxation. It is a tax that is based purely and simply upon ability to pay, and I do not think there is any fairer form of taxation than the taxation of those who have the ability to pay. The indirect taxation we have to-day places a heavy burden on the people of this country, and I would venture to assert that the farmer and

the worker pay heavier indirect taxes, in proportion to their income, than those who pay the income tax.

Now the Minister of Finance has been good enough to suggest in his speech, and I agree with the idea, that we ought not to shirk our responsibilities in regard to the national debt. He says that the people who created the debt ought not to shirk the payment of it, or words to that effect. I quite agree with that statement, but I maintain that the minister himself is shirking responsibility in reducing taxation and allowing the debt to remain at its present huge figure. He goes back to the year 1845, approximately eighty years ago, to try and find a precedent for the budget that he is bringing into this house in the year 1928. He quotes an economist who lived in that year in order to try and give the impression to this house and the country, that the budget he has brought in and the methods of financing he is adopting are the best that could be followed under modern circumstances. I entirely disagree with that premise. I believe myself that the minister ought to have a definite and fixed policy in regard to the payment of the national debt of Canada. There is no telling how long the national debt will remain the huge liability it is at present. He says we ought not to shirk our responsibility. Quite true, but how long did it take to create that debt? It was created in four years, and yet by the method of financing which is followed at present there is no way of telling whether the national debt will be paid in four years or in four hundred years. I believe that debt should be wiped out in as short a time as it took to create it. I have a suggestion to make to the minister and I hope he will give it due consideration. When I say "due consideration" I do not mean the kind of consideration which is frequently adopted by ministers when they throw suggestions into the waste paper basket.

Mr. DUNNING: We file them.

Mr. HEAPS: You file them? Well, you do a little bit better than throwing them into the waste paper basket. As a matter of fact you file them so securely that you never can get at them again.

I would deal with this question of the national debt from a little different angle, perhaps, than the one from which hitherto it has been viewed. I am going to suggest to the government that the question of inflation and deflation as between the years 1920 and 1926, should, in some way, form a basis from which to consider the whole question of the national debt. In the first place no effort has been made by this government to consider the problem of the national debt in relation to industry. In Great Britain a special commission was appointed in 1924 to consider this very important question, but in Canada we have allowed this matter to take care of itself by following purely haphazard methods; there has been no systematic or scientific effort on the part of the government to provide for the national debt of Canada. It is quite true that some reductions in our debt have been made during the past two or three years, yet these reductions cannot be regarded as the basis for a proper method of handling this problem. There is no such thing as a national sinking fund, and if lean years should come for the Dominion treasury it follows that no provision for reduction of the national debt could be made out of surplus revenue as is being done now. In 1920, and I am using that year because it was the peak year for commodity prices, our net debt was $2,248,868,624. At the end of the fiscal year, 1926, according to the Canada Year Book, our net debt was $2,389,731,099, showing an actual increase in the net debt for the year 1926 over the year 1920. It would not be fair to blame the government entirely for this condition. In 1920 there were shown assets of $792,660,963 which by 1926 had dwindled to $379,048,085, this dwindling of the national assets being to an extent due to the deflation which took place during that period. Whilst the government has very little to show because of this fact, the people of Canada have now to pay out of present production one hundred cents on the dollar which in 1920 was worth approximately 70 or 75 cents. The taxpayers of to-day and those of future generations are to be penalized in the first place for the inflation that took place in 1920 and in the second place for the deflation that took place in the period succeeding the inflation.

I want, however, to make this suggestion to the Minister of Finance. Most of the public debt of this Dominion was created during the period of inflated prices when the dollar was not worth what it is to-day. The following figures taken from the Canada Year Book will give the house some idea of the relative value of the dollar from 1900 to 1926. Taking the value of the dollar in 1913 as 100 we arrive at the following:

Year	Value of dollar
1920	186
1921	157
1922	152
1923	154
1924	151
1925	155
1926	153

If I had taken the figure for 1920 as it stood in the month of June or July, it would have shown a considerably higher level for that year and consequently the disparity would have been greater than is shown by the set of figures I have taken. In this table it will be noted that there is a difference of 33 points which means a decrease in the retail cost of commodities of approximately 18 per cent. It also means that the people who own the debt and control the money of the country are relatively so much better off to-day than they were in 1920. In other words, deflation which became effective in 1921 had the effect of adding more value to their holdings because the debt of this country was in no way affected by the deflation which then took place. The people who suffered mainly were the farmers, producers and working people. There is no need for me to mention the tremendous drop which took place in the price of farm commodities in those years. Hon. members of the farmers' group have referred to this matter on several occasions, but I would say that nothing would more forcibly show the feelings of the farmers of this country than the fact that in the election of 1920 they returned sixty-five members to this house. This no doubt was the result of the economic depression which hit the farmers so severely during that period. As regards the working people of this Dominion, in 1920 the number of wage earners was 526,571, and in 1921 this dropped to 381,-203.

These are some of the results of the policy of deflation as adopted by the financial interests of this country. Whilst it left the great mass of the people poorer, these interests became more wealthy. When hon. members discuss the question of people leaving Canada, these figures might give one reason why so many men and women were compelled to emigrate. It was not choice but necessity that drove them away, and if such was the case, it is obvious where part of the blame lies.

The question arises why present and future generations should be penalized for the monopoly of money and currency by those who control it. Why should the taxpayers of Canada be penalized for things for which they are not responsible? Why should the government not use the power vested in them and adopt some measure that will protect and give back to the taxpayer that which has been taken away from him by the hands of finance? My suggestion in this regard is that the amount of deflation as shown by statistics should also apply to the national debt. Why should the financiers of Canada and elsewhere benefit at the expense of the great masses of the Canadian people? If the national debt were deflated in the same ratio as other commodities—and it is obviously fair that this should be done—the corresponding decrease would mean that the net debt of 1920 of $2,248,868,624 should be reduced by 18 per cent, which would mean that the figure for 1926 would be $1,844,072,272, or a reduction of $404,796,352. This in turn ought to save an annual interest charge, based on a rate of five per cent, of $20,239,800.

To create this deflation in the national debt, I would suggest that Dominion currency equivalent to this amount should be issued over a period of three years and be used to retire bonded indebtedness. At the present time the Minister of Finance contemplates a loan of $500,000,000. How does the minister accomplish this? He issues securities which are regarded as gilt-edged, endorsed by the Dominion of Canada. These securities are easily negotiable and in many respects they have the same function as money, with this notable exception, that currency issued by the government bears no interest charges while bonds, of course, will. Naturally I would expect that bankers and other financiers would prefer to hold bonds which bear a good rate of interest to holding government currency which will not. It might be said that this suggestion would mean a policy of inflation. It would mean a policy of limited inflation of the currency of the country. What harm would it do? In place of creating any difficulty or doing harm, this limited increase in money issued by the Dominion government would be an advantage because in the first place it would mean a huge annual saving which, of itself, could finance the entire cost of the old age pension scheme for this Dominion. It would mean further that this extra money so created would have to find an outlet and this, in turn, would stimulate commercial activity. A policy of limited inflation must not be confused with the policy of inflation that was prevalent in European countries a few years ago. The amount of money and currency in circulation must always have a due regard to the productivity of the country, and I might also add to this, its potential productivity. Canada's industries have grown enormously since 1920, yet we find that the actual currency has decreased as shown in the following table:

Year	Currency
1920..	$296,353,737
1926..	231,603,330

Or a decrease of $64,750,407, and this in spite of the fact of the greatly increased

production that has taken place in Canada during this period. The amount of currency issued by the Dominion treasury is very small as compared with the total amount of money in circulation in this country. As an example of the relation of currency to the total amount of money in circulation, it might be interesting to note the actual amounts on deposit in the chartered banks of Canada in 1920 and 1925, the last year for which statistics are available:

Year	Deposits in chartered banks
1920..	$2,438,079,792
1925..	2,221,160,611

The total amount of currency for 1925 is equivalent to only ten per cent of the total bank deposits for the same period, and if the Dominion government added on to this currency an amount equivalent to the deflation between 1921 and the present year, it would naturally add a good deal to our currency, but even then it would be equivalent to only 26 per cent of the total deposits in our chartered banks.

Last year the hon. gentleman who now occupies the position of leader of the opposition (Mr. Bennett) made to the government a suggestion which they have filed away securely. It was that the government should conscript the surplus money owned by large financial institutions in this country and use it for the retirement of the national debt, paying four per cent for the use of same. I think that was a far more radical proposal than the one I am now suggesting. I had always thought, that, to the Conservative party, property was a sacred thing. At all events, I have not the least objection to the suggestion of the leader of the opposition, and I hope that he will repeat it during this debate. His proposal was regarded as a piece of statesmanship last year, coming from my hon. friend the leader of the opposition, but I suppose the same suggestion coming from this corner of the house would be regarded as bolshevism.

In the few minutes remaining to me, Mr. Speaker, I would like to say a word or two in reference to the closing remarks of the Minister of Finance. All through his budget address he had in mind the financier and the industrialist, and then practically in his last sentence he referred to the great masses of the people of this country, and his message to them was: Work and be thrifty, I think he had nothing else to offer them except that piece of advice. I am wondering who in this country does the work if it is not the workingman and the man on the farm. Where else does all this prosperity come from? And then when you remember that the average man employed in industry in this country earns approximately only twenty dollars a week, I would like the Minister of Finance to tell the workingman where he is going to commence being thrifty on that wage, and where he is going to end. I would suggest to the Minister of Finance, when he talks about thrift, that he should start right on the government benches and set an example of thrift there. I am going to make a suggestion with which I hope our Conservative friends will agree. I would suggest that the Minister of Finance start saving on the militia estimates. These estimates show an increased appropriation of several million dollars over last year, and most of that money I presume will go in lace and gold braid. If there is a wasteful expenditure in any part of the world, it is this expenditure on armaments. When we have a delegate at the League of Nations, and a branch of the League of Nations Society in this country, with representatives going around and preaching peace among the nations of the earth, I think the last thing in the world the government ought to do is to increase the estimates for military purposes. I think it would have come with good grace from the Finance minister, if he had the least desire to set an example in thrift, to throw out these millions of dollars of increased expenditure in the militia estimates for this year.

With regard to the amendment placed in your hands, Mr. Speaker earlier this evening, by the hon. member for St. Lawrence-St. George, the one thing that seems to remain in my memory more than any other part of his speech is his reference to the Canadian National Railways. He referred in no complimentary way to the president of the Canadian National Railways, because he did not like something Sir Henry Thornton had said. When the hon. member for St. Lawrence-St. George does not like something which Sir Henry Thornton said, I am inclined to think that Sir Henry Thornton must have said a very good thing, because otherwise we would not find objections coming from the hon. gentleman. I cannot see that the amendment is any better than the budget itself. I think the speech which the hon. member for St. Lawrence-St. George gave this afternoon was the finest possible commendation of the budget I could have, and when I see commendation of the budget coming from the Conservative side of the house I am bound to feel a little bit suspicious of the budget myself.

Mr. J. H. HARRIS (Toronto-Scarborough): Before offering any criticism of the remarks of the hon. member for North Winnipeg (Mr. Heaps), I wish to say a word or two with regard to the hon. member for Red Deer (Mr. Speakman). I am sure that I am only expressing what is in the minds and hearts of hon. members of all shades of political thought when I say that we are very glad to see him back in this House of Commons in apparent health and strength. Any hon. gentleman who had the privilege of visiting him in the Civic hospital, knowing how badly he was used up a year ago, having to lie on his back for several months, must rejoice at his splendid recovery.

But with regard to his remarks I must say to him in all kindness that I cannot altogether agree with him. I took the liberty of noting down a few of his thoughts. Among other things he said: Give the workingman the opportunity to participate in some of the wealth he creates. I would say in reply to that: Give the workingman the opportunity to earn a little bit of wealth in this country, so that he may be able to participate in some of the wealth the country is capable of producing.

I could not follow the reasoning of my hon. friend from Red Deer with regard to taxation. He, in turn, said that he could not follow our reasoning in that matter. He went on to say that there has been a reduction in taxation, but that anyone who reads the budget as presented by the Minister of Finance must realize that the volume of taxation has increased, and increased very materially.

I must admit I am in accord with the hon. member in his criticism of the presentation of the national debt by the Minister of Finance. I am also in accord with him in his criticism of the tariff advisory board, which he described as a smoke screen behind which the Minister of Finance can find shade, and hide in time of trouble. It is also very interesting to note that the hon. member for Red Deer is beginning to see the futility of the free trade arguments that he was wont to express in this house from 1922 up to 1926. To-day he says: I am not asking for free trade. I think he must have overheard some of the whisperings which went on at the convention held on the western prairies this winter, at which the dairymen there gathered denounced in no uncertain terms the Australian treaty and its results, especially the bringing into this country in ever increasing quantities of products which the dairymen of Canada are able to produce.

With regard to my hon. friend from North Winnipeg, that hon. gentleman rises in his place and says to the house and the country: I am not an industrialist, I am not a farmer, I am not a financier, and then in his next breath he tells us how to finance the affairs of this country. I was wondering what sort of man he was, and I was reminded of the story which Mr. Crerar once told the house. There was a boy, and his parents were in a quandary what to make of him; so they gave him a Bible, an apple and a half dollar, and left him in a room. They said, "Now, if he is reading the Good Book when we go back, we will know he will make a good preacher; if he is eating the apple, he will be a good farmer; and if he is playing with the half dollar, he will be a financier". After a while they went back to the room but to their amazement they found the boy sitting on the Bible with the half dollar in his pocket, eating the apple. Finally they decided that he would make a first-rate politician. The hon. member for North Winnipeg, as he told us himself, is no financier, he is not a farmer and he is not even a first-rate politician when he leaves himself open in the way he has done this evening. I shall not attempt to follow him in his arguments on finance because he admits he is no financier, although he undertakes to tell us how we should finance this country.

The hon. member for Red Deer in criticizing the statement of the Minister of Finance with regard to the national debt, made statements with which I am very largely in accord, and I wish to place on record some facts, and figures which I find in the Canada Year Book. They must be correct because this is a publication issued by the government. In 1921 the net debt of Canada was $2,340,878,-984, and in 1926 $2,389,731,099. Of course a lot of water has gone through the mill since 1926, but I would ask the minister to bear with me while I emphasize the way this government has done its financing. In addition to the direct liabilities of the government, there are certain indirect liabilities arising out of the guarantee of securities for railways. The outstanding guarantees as to principal and interest amount to $364,415,762 held by the public, and $58,157,951 held by the Minister of Finance, while the amount guaranteed as to interest is $216,207,142. I am not in accord with the method followed by the present government in determining the net debt of the country; I much prefer the way the former Minister of Finance, the Hon. Mr. Fielding, did it. He had an increase in the national debt to announce, and Mr. Fielding told us frankly that the increase was some $81,000,000. That was an honest, frank statement, and we found included in

that the deficit of the Canadian National Railways and the guarantees undertaken by this government. Anyone with common intelligence who finds it necessary to finance himself a little finds on going to the bank that while on the front of his statement he has to show his assets, before he endorses that same statement he must give on the back all the notes or other securities which he has endorsed. That, in my humble judgment, is the course that should be pursued by this government, and I ask the minister to be frank and sincere with the people of Canada, and in future bring down a statement which will show the net debt with everything we have endorsed and for which we are undoubtedly responsible. As it is with the individual so it should be with the government.

In each budget presented by the minister we are told that our importations and our exports are of such a nature that we have a fine balance of trade, even though we find the imports creeping up a little. In that case the minister takes refuge in informing us that this increase is due to an increase of raw materials coming into Canada. But I ask the members of the house to look at and analyze the schedules prepared by the Department of Trade and Commerce; if they do this they must come to the conclusion that the increase in importations is not due to an increase in raw material, but is rather due in large measure to an increase in manufactured goods. So I desire to place on Hansard the facts with regard to several articles, since I have not time to review the whole schedule. These references, however, will illustrate the whole question, and a review of the schedule will confirm what I have to say. Let us consider first the non-ferrous metals, such as copper, silver, lead, zinc, cobalt and so on, which are found in raw state in abundance in this country. Taking the year 1924 as a basis, we find that the increased importation of the manufactures of these materials amounted to 18.5 per cent in 1925, 28.4 in 1926 and 49.7 per cent in 1927. In that same period of four years, on the other side of the picture, see the exports of raw material of the same class extracted from the mines in Canada. Mr. Speaker, every time a train load of these raw materials goes to a foreign country to be manufactured you will find that from one to ten of the best workers of this country go also, to devote their energies to the manufacture of these goods and to produce the completed article, which will supply the home markets of the great industrial nation to our south, whose surplus will be returned to us and others in the form of fully manufactured goods. I say it is not fair to the artisans of our land and to our youth that this should be allowed to continue. It is not just; it is not right that those thousands graduating from our technical and commercial institutions should have to face these conditions and follow our raw material to a foreign land to find a vocation.

But we need not consider only the non-ferrous group of metals. We will go a step further, and review the situation as it applies to iron and its products. I see the minister is busily engaged in studying some other schedule, but I would question the candour of his statement that the increase in importations is largely due to greater importations of raw materials. That statement will not bear analysis. I would like to put this whole schedule on Hansard but I am afraid the rules will not permit me; I know the hon. member for Winnipeg North Centre (Mr. Woodsworth) will rise in his place and protest if I ask the house for permission, so I will just run through it hurriedly. First, I will give you some conception of the magnitude of the manufacture of iron and steel as shown in the four years from 1924 to 1927 inclusive:

Imports into Canada for Consumption

Nine months ending December

Iron and its Products

	1924	1925	1926	1927
Total imports	99,768,341	131,656,976	170,035,322	188,757,391
Raw iron	2,312,856	1,995,329	2,828,593	2,869,058
Per cent of total	2.32	1.51	1.66	1.52
Partially Manufactured Imports				
Pigs, blooms, etc	1,440,668	1,242,471	1,244,288	1,499,969
Scrap	402,010	391,670	676,419	984,248
Castings	2,531,701	3,761,854	3,357,837	3,072,946
Rolling mills products, pipes, etc	26,199,171	29,549,423	36,678,138	34,097,419
Tubes	1,869,435	2,587,761	2,940,492	2,825,945
Wires	1,916,143	2,012,223	2,351,865	2,525,567
Chains	476,863	472,589	701,505	616,960
Sub. total	34,835,991	40,018,091	47,950,544	45,623,054
Per cent of total	34.92	30.40	28.20	24.16

Manufactures of Iron Imported

	1924	1925	1926	1927
Sub. total..	62,619,494	89,643,556	119,256,185	140,265,279
Per cent of total..	62.76	68.09	70.14	74.32

Increase of Imports of Manufactures of Iron Compared to 1924.

	100.0%	143.1%	190.4%	224.0%

Importation of Non-ferrous Metal Manufactured

Total..	30,377,773	35,943,532	39,016,152	45,463,966
Per cent of total..	100.0%	118.3%	128.4%	149.7%

Importation of Glass and Glassware

Total..	5,099,246	5,593,858	6,811,224	
Per cent of total..	100.0%	109.7%	133.5%	

All these latter products, Mr. Speaker, as the hon. member for West Algoma (Mr. Simpson) has said, we are able to manufacture to-day in our own steel mills.

Our Liberal friends were wont to go around the country preaching low tariff, and yet we find that the government are taking more money in customs duties this year than last by some $11,600,000. Our friends from the prairie provinces and some others who talk free trade say: "Well, how can this be?" They need only study the policy of the government to see how this seeming paradox is brought about. It will be found that on almost each and every occasion when they lower the duty on some manufactured article, simultaneously they see to it that all the parts which enter into the manufacture of that article are made subject to a lower duty. With what result? That some of our manufactories throughout the towns and cities which in years gone by have filled in slack time by manufacturing parts for a large concern now find themselves unable to compete against the influx of these parts from the United States. More and more of these parts are coming in, and more and more of our artisans find themselves out of employment. Then of course their only recourse is to migrate to the United States to find a livelihood. That is the reason why the minister this year expects to extract $11,600,000 more under the customs tariff than last year.

It is very interesting to note that the minister backed up his statement with regard to the importation of raw materials by giving some concrete examples. He told us that in 1921 we imported seven thousand auto engines whereas in 1926 we imported fifty-nine thousand. Some of my hon. friends who are interested in labour and know what an advantage it is to keep our artisans in the Dominion will find it instructive to estimate the number of artisans that might have been employed in this fair land of ours manufacturing those engines. In like manner, Mr. Speaker, as an example of raw material, mark you, coming into this country, the minister told us last year that auto parts to the value of six million dollars odd had been imported in 1921, whereas these imports had increased to over twenty million dollars in 1926. Again, I call attention to the fact that he terms these parts "raw materials". How many of our artisans would have enjoyed the privilege of working in the machine shops and foundries of their native country manufacturing that extra fourteen million dollars' worth of so-called raw material? The Minister of Finance in his budget speech backed up that ridiculous and unsound statement, so far as the facts are concerned, by saying that we were importing more and more raw material to keep our factories busy! Last year he also drew attention to the fact that in 1921 we imported 7,784,980 pounds of raw wool, while in 1926 our importations had risen to 11,049,723 pounds. He took great pride in advising us that we had imported four million pounds more of raw wool in four short years. I see some of my farmer friends who perhaps know more about the sheep and wool industry than I do, but in all sincerity, Mr. Speaker, I ask since when have we convinced ourselves that we have not sufficient pasture land to produce from year to year millions and millions of sheep? Why is it that our sheep population dropped from 3,650,000 in 1921 to only a little over 2,500,000 this year? One reason is that we have imported four millions of pounds more of raw wool. The Minister of Justice seems to enjoy this, and even the Prime Minister, I notice, is very busy reading his paper. But what is he going to do with his own sheep? Not long ago I saw in the Star Weekly a picture of the Prime Minister tending his

sheep. I wonder if he is going to put the sheep industry entirely out of business, and then find himself without a vocation during his summer holidays tending his sheep. We have 898,000 acres of pasture land ready for sheep to graze on, and instead our sheep population has decreased by one million in five short years. It should have increased by that number; and instead of our importations of wool having increased by four million pounds—and the minister taking pride in the fact—those importations should have decreased, and the product of our farmers should be competing with that of the farmers of other lands.

In like manner the Minister of Finance last year took pride in the fact that our importations of raw hides had risen from 22,000,000 pounds in 1921 to 42,000,000 pounds in 1926, and last year the figure reached 49,680,200 pounds. The average weight of a steer's hide is 50 pounds, which means that we are importing the hides of one million cattle. Yet the minister takes pride in the fact that our farmers are having their home market curtailed to that extent. The farmers of this country need some protection against the inroads of these raw materials, and in my humble judgment it is not good business for the minister to take pride in these disquieting facts, for they spell national disaster.

Last year the minister also put on Hansard figures showing the importations of leather unmanufactured, showing importations to the value of three million dollars odd in 1921, rising to $3,909,000 in 1926, and according to the figures this year given me by the Bureau of Statistics there has been a steady increase for the past year giving a total of $4,124,793. I ask the Minister of Customs—he is not in his seat I regret to observe—since when has it been necessary for us to import these tremendous quantities of leather, since when have our tanneries been unable to supply us with the leather that we need to manufacture into various articles? He comes from the good town of Kitchener where several of our largest tanneries are located, and it would be interesting to have his views on this subject.

The amount of money received from the customs tariff by this government has been augmented by the application of the anti-dumping clause, and also by placing on the reduced duty list those various parts which enter into the manufacture of all kinds of machines. The net result is that our factories, which a few short years ago were factories in the true sense of the word are now largely becoming assembling plants and distributing warehouses.

[Mr. Harris.]

During the debate on the address, Mr. Speaker, I was interested to hear the Prime Minister enlarge on the great prosperity the country is enjoying due to the building boom in all the large centres of population. But if this boom is analyzed it will be found that of the eight hundred million dollars' worth of contracts he had in mind at least seven hundred million dollars' worth represented office buildings and hotels. What are these office buildings and hotels for; who are housed in them? They are chiefly for the accommodation of manufacturers' agents and others that come here to convince us that we should be buying their products instead of manufacturing our own. In addition to the office buildings the erection of new hotels is responsible to a large degree for this building boom. Why do we need new hotels? Simply to house the agents of foreign firms who come here to sell us the products of their factories. I see the Minister of Justice is enjoying this very much.

Mr. LAPOINTE: Extensively.

Mr. HARRIS: But let me tell him that our good friends in Quebec are not very anxious to see more foreigners coming here selling goods which their own factories could produce. Yet, Mr. Speaker, of the extra two hundred million dollars' imports last year a very considerable proportion represents manufactured goods, and eighty million dollars alone is the value of iron and iron products which we could ourselves produce. I am sorry the Minister of Finance has gone out. I should like to tell him that to my mind it is not a subject for congratulation on his part that our imports of supplies of raw materials for further manufacturing are on a larger scale than ever before, and, as I have pointed out, it does not really state the true facts of the case. The Minister of Immigration (Mr. Forke) is having troublous times these days. I say to him that if we provided work for the people of Canada this fact alone would be the greatest lodestone to draw more people to our shores than any other policy which could be enunciated by this or any other government.

It is interesting to note that we have it on record this year that an increased amount of British labour must go into goods which are to enjoy the preferential tariff. I want the house, I want the press, and I want the country to know that I stand four-square for the British preference, and therefore when I offer some criticism in this connection I do not wish to be misunderstood. You will find if you are importing goods from Great Britain under, say, a preferential tariff of 20 per cent as against 30 per cent general tariff, this happens. You send your cables to Rotterdam,

Hamburg, Antwerp, Lyons and London for quotations. From London you will probably be quoted, say, £40 per ton, whilst from the continent £35 per kilo ton, and similar quotations from Antwerp, Rotterdam and Lyons. But what really happens? The broker in London finds out what the market price is in England at which the English consumer can buy those goods, and what they cost on the continent. Then he goes out on the English market and buys sufficient to meet your order, adds on the difference between the preferential and the general duty, and sends a quotation just under the total cost from the continent, and then from the continent he will supply the English market. So that in the final analysis to a large extent we do not get the full benefit of the preferential tariff. And, further, if the broker is unscrupulous it may be that the goods he sends you had their point of origin on the continent. In this connection I was interested to run across an invoice the other day for a shipment of goods. Two hundred bags came in at 112 pounds to the bag; a second shipment came in a similar form; but the third shipment came in 110-pound bags. I just leave the Minister of Trade and Commerce to draw the inference why the 110-pound bags were used for the third shipment. In my opinion it was because that size bag represents 50 kilos, and consequently originated at a continental point.

Mr. MALCOLM: Will my hon. friend tell me whether the merchandise represented by the invoice is sold by the pound or by the bag?

Mr. HARRIS: It was sold by the pound.

Mr. MALCOLM: What difference does it make how much is in the bag?

Mr. HARRIS: The hon. gentleman has missed my point. Let me explain it again so that he may grasp it. We are not worrying about the two pounds we are losing on each bag. We are worrying about this fact; if this man was unscrupulous, he brought those goods from the continent to England and there transhipped them to us, and thus got the full benefit of the British preference.

Mr. MALCOLM: I cannot see my hon. friend's point. If the merchant is scrupulous enough to state distinctly how much is in each bag, I fail to see how he is deceiving.

Mr. HARRIS: It has nothing to do with the bag. The point is that the bag containing 50 kilos did not originate in England but at a continental point. Surely the minister knows that the English hundredweight is 112 pounds. I am sorry that in order to illustrate my point I have to tell the minister that the English hundredweight is 112 pounds and the continental hundredweight 110 lbs.

On the whole, Mr. Speaker, I think the country is rather disappointed in the speech from the throne, in that there is too much said of an international nature, and not enough of a domestic nature. I fear that the government is leading us too far afield in our international relations, for we are too small in population to be dabbling in such affairs. The cost will steadily increase, and we already have sufficient evidence of this fact. I do not think it is necessary for us to spend $225,000 this year in having diplomatic representatives in Tokyo, Paris and Washington. Instead of increasing our expenditure unnecessarily in this direction, in my judgment it would be much better to establish more trade commissioners throughout the world, as I have already tried to illustrate to the hon. Minister of Trade and Commerce. But apart from the mere expense, I say this dabbling in diplomatic services is fraught with great danger to this country. We have not the experience of a thousand years enjoyed by Great Britain. Much of her diplomtic skill to my mind is hereditary. Besides, Great Britain is backed by empire resources, she is backed by her navy; but we are backed by nothing on the sea. As long as we have the backing of the British navy, in my humble opiinon we shall enjoy another hundred years of peace. If we must spend this money, there are other and better ways of using it.

The time is too short for me to enumerate those channels of expenditure, but I am going to make one suggestion for the government to think over. This year I understand the government are going to bring down some legislation to give further effect to the Canada Highways Act. I hope that that legislation will be broad enough to embrace a fixed policy for the gradual elimination of level crossings on our highways. You are spending money under the Canadian Highways Act. See to it that it is spent in a way which will inure to the protection of the people by gradually eliminating level crossings. That is just one suggestion I have to offer in that connection.

Increased importation of goods of all kinds is bringing about a steady economic penetration of this country by the United States. The more our American friends penetrate this country and the more we buy of their materials the more and more dependent Canada will become upon the United States. I would prefer to see Canada more dependent on the British Empire than on the country to the

south of us. Every time you open up a new embassy or establish more direct diplomatic representation in other countries you weaken the bonds which unite us with the motherland.

I have only about three minutes more to speak, and I shall have to draw my remarks to a close. Let me say to our friends from the western provinces that Ontario has given you of her sons and daughters, everything you asked for in the way of statutory freight rates, and other concessions of all kinds. In like manner let me say to our friends from the maritime provinces that we want to grant you almost anything that you like to ask us for in order that we may hold confederation together. We are spending money on your behalf under the Maritime Freight Rates Act, and we want to give you everything we can within reason. We are with you in demanding the full implementation of the Duncan report.

To our friends from Quebec I would say that I do not know of any other land where you would enjoy the freedom and privileges which you enjoy in Canada. I know that to-day your hearts bleed for those of your fellow countrymen who find themselves in Massachusetts and in the New England states generally. I know you want them all back, and so I say to you one and all: See to it that you adopt in this country of ours a policy that will provide employment for the minds and hands of all classes of people not only that unity may prevail in Canada but that we shall attain to that position in the future which a kind providence has set apart for us. I have much pleasure in supporting the amendment moved by the hon. member for St. Lawrence-St. George.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, I am wondering what the people of Canada will be thinking to-morrow when they read the speeches of hon. gentlemen opposite which we have heard this afternoon. I was very much surprised to hear the remarks of the hon. gentleman who has just taken his seat (Mr. Harris) with respect to the city of Toronto from which he comes. If there is any city in Canada which has benefitted by the policy of the Liberal government during the last six years it is the city of Toronto.

Mr. HARRIS: I hope the hon. gentleman will be good enough to cite any statement I made with regard to the city of Toronto.

Mr. LAPIERRE: If I understood my hon. friend aright he stated that the hotels built in Toronto were erected for the accommodation of foreign business agents. I would tell my hon. friend those hotels were built to accommodate the tourists that are coming from all parts of the United States to see the prosperity which prevails in Canada. That same tourist movement has been very beneficial in the province of Quebec.

The time allotted to me this evening, Mr. Speaker, will not permit me to follow in detail the remarks of the last speaker, but in answer to him, I will quote one whose opinion should be acceptable to my hon. friend from Toronto-Scarborough. I have before me a copy of the supplement to the annual financial review of the Toronto Globe of January 3, in which appears a statement from Mr. A. E. Ames, well known to all the Toronto members, reading as follows:

> Retrospect of year 1927 shows large-scale progress throughout the Dominion.
>
> An inventory of prosperity surpasses in proportion to population any other nation's—Canada's funded debt lowered—More income tax reductions seen advisable—Canadians spent fifty million dollars for foreign securities, and bought half domestic bond issues—Canadians in mood for real adventure—"Steady does it".
>
> A cool retrospect of the year 1927 recognizes large-scale progress throughout the dominion. Perhaps the most notable features of the year in Canada have been the following, which are not intended to be listed in order of importance:
>
> Reduction of federal funded debt in the last nine months by, say $42,000,000;
>
> Increase in bank deposits of over $200,000,000;
>
> Abundant harvests;
>
> Notable development of hydro-electric power;
>
> Important increases in paper and pulp making capacity;
>
> Heavy increase in mining operation, construction and exploration;
>
> General business prosperity;
>
> A marked beginning of real estate activity, particularly in the larger cities.

That is the opinion of a gentleman in Toronto who is in a position fully to realize the great progress that Canada has made during the last six years. The Minister of Finance (Mr. Robb) is to be congratulated upon the budget which he has presented. Year by year we have seen the nation's prosperity increase until to-day we occupy, as a nation, one of the proudest positions in the world. That prosperity has not been confined to the cities but has been enjoyed by every class of our population. For the benefit of our western friends I should like to read an article from the same publication containing a statement by one who is known to them all. I refer to the Hon. T. A. Crerar, president of United Grain Growers:

> During the past five years the farmers of western Canada have produced and sold farm produce to the value of $2,000,000,000, taken at country points. Government statistics are not available with respect to all of this, but the government figures show the wheat crops alone in that time to have been worth almost $1,650,000,000 at country points, and to this is to be added the value of other crops, dairy products,

live stock, and other products sold. These figures take no account of the enormous business in handling and transporting this produce, which would amount to many millions more.

Now, Mr. Speaker, we have had the opinions of those who are close to us, but I value very much more opinions from an independent source, and I have here the financial and industrial page of the Literary Digest, from which the following is taken:

In international trade, we are reminded, Canada now ranks fifth among the commercial nations of the world. A writer in The World's Work tells us that Canada's per capita wealth is excelled only by the United States and Great Britain, "being $2,406, compared with their $2,918 and $2,459, respectively." Roger W. Babson, we read further in The World's Work, has recently estimated that Canada leads the world in the number of homes owned by her own people, namely, 70 per cent.

For one thing, "the 2,278 miles of railway in 1867 have now been expanded to 40,352, and no country in the world has as large a railway mileage per capita."

"To-day", continues Mr. Stevenson, "Canada leads the world as an exporter of wheat, newsprint, nickel and asbestos, and her command of raw materials and water-power resources, which can cheapen the costs of the manufacturing processes, insures her steady industrial expansion."

This should be sufficient to meet the arguments that have been put forward that Canada is not to-day a prosperous nation.

As my time is limited, I should like to refer now to another item of the budget which is much more interesting and which has not received during this debate the attention which it really deserves, having regard to its importance. During the discussions that have taken place this session reference has frequently been made to the visits to Canada last year of several distinguished personages, but there was one group which came to our country during 1927 whose visit had perhaps more to do with the future development of our mining resources than anything else that happened during that year. I have reference to the British Mining and Metallurgical Congress which met in Canada in 1927 and which was composed of some of the most eminent geologists, mineralogists and mining engineers in the British Empire. They were accompanied by a large number of distinguished men engaged in the same callings in different parts of the world. They were entertained and shown the wonderful mining resources which this Canada of our possesses.

I regret to say that the tremendous development of our mining resources is not receiving at the present moment the support and attention that it really deserves from the people of Canada. Our mining industry is one of the most hopeful features of our economic development. Canada possesses one of the most marvellous deposits of minerals in the known world, and more than ninety-five per cent of the mineral wealth produced in this country has been produced within the last twenty-five years. That wonderful precambrian shield, which has often been referred to in this house, is one of the largest exposures of mother earth's natural wealth; containing 260,000 square miles, encircling Hudson bay and practically blanketing the whole of North America, it has already become one the largest producers of minerals in the world. In order that we may fully realize just how much this means in the future development of Canada I wish to cite a few figures which will, I am, sure, demonstrate to the satisfaction of everybody that we are on the eve of one of the largest mineral developments the world has even known.

In 1927, the Dominion produced $243,000,000 worth of minerals, of which Ontario produced $90,000,000. In Ontario the mineral production is as follows:

Gold	$31,000,000
Nickel	14,374,000
Silver	5,760,000
Platinum	1,000,000

Our tremendous mineral development will be realized when we remember that twenty-five years ago we had but one mine in northern Ontario; that in the last twelve months that northern country produced more than $32,000,000 worth of gold alone; that we now have in northern Ontario the second largest mine in the world, a mine which since 1921 has produced $121,000,000 worth of gold and distributed more than $50,000,000 in dividends. This is just the commencement of a new era; already new mines are being discovered throughout that northern section.

Let me describe the situation which exists in my constituency. We have in the Sudbury district, within a radius of ten miles, three of the most startling discoveries in the mining world. We are now producing 95 per cent of the world's nickel, and within the last few years discoveries have been made which promise to be of even greater value to Canada than our wonderful nickel deposits. We have in the Frood mine one of the largest copper deposits on the American continent; it is now estimated that there is on this property an ore reserve of more than 100,000,000 pounds of high class copper. When we stop to consider that this copper was localized through diamond drilling at the bottom of a nickel mine, assuring profitable mining for many years to come at greater depths, and when we consider that in nickel alone the mines that are now being operated have a reserve of ore for the next fifty or sixty years, we are just commencing to realize the value of our mineral products. To us who have

waited all these years with faith in the future development of that mining country it was a source of the greatest satisfaction to hear those visitors from Europe express their astonishment that these tremendous mining deposits should have so long remained idle. They evinced the greatest interest in these wonderful deposits, and they were amazed at the variety of valuable minerals which are found within such a small area.

Another discovery which has been a revelation even to the oldest geologists and mining men in our section is that recently made in the centre of that great nickel deposit of one of the largest lead and zinc deposits on the American continent. This deposit means another producing mine in the centre of our nickel and copper country. The development work done prior to the present assures us of a continuous supply of high grade lead and zinc ore for the next fifty years. We are assured of an expenditure of at least fifty million dollars for equipment, machinery and construction within the next two or three years. I need only refer to what has happened in my own part of the country. Those who have followed mining development in this country within the last few years must have heard of the great developments that have taken place in northern Ontario. There again we have a very wide area which is rapidly coming to the front as one of the largest producing areas on this continent. There has also been made recently a very interesting discovery in Manitoba, and to my friends from the west I would say that the development in the northern section of that province would alone warrant the construction of two railroads to the Hudson bay. The amount of ore which has been exposed and is in reserve amounts to over four hundred million dollars. The ore blocked out or visible in the Flin Flon, the Sherritt-Gordon and the Mandy mine assures for Northern Manitoba a development equal to that which we have seen in northern Ontario. Those of us who can remember twenty-five years ago when that entire area in northern Ontario, then given over to the lumber industry but today dotted with thriving towns and large productive areas of agricultural land, can draw a mental picture of what is going to happen in northern Manitoba. Every operating mine means a new settlement, the opening up of new agricultural land. It means a market close at hand for the farmer's products; it means the employment of thousands and thousands of Canadians in an industry that pays ample salaries and is a source of great wealth to any nation. These are some of the possibilities of the near future. We can see within the next ten or fifteen years an expansion in this country such as has not been seen in any other civilized country in the world.

Besides the minerals which I have mentioned we have as well very large deposits of iron ore. This is a question that will soon demand the attention of the government. The iron deposits of the lake Superior district of Michigan are now within calculable distance of exhaustion, and it will take but a short time before the ore reserves of that part of the United States will not be available for the Canadian market. We have at the present time several iron deposits which have been successfully operated. We have large deposits of siderite, which can be beneficiated, by which I mean any treatment which will remove the impurities or the sulphur and prepare the iron ore for the furnace. Our resources of iron ore are almost inexhaustible and the small margin that now exists between the price of the high grade Michigan ore and the low grade siderite and hematite ores that we have in northern Ontario assures us that the time is rapidly coming when these ores will be treated in this country, and that we shall have here an iron ore industry. What that will mean for Canada, what it will mean to our transportation problem, and what it will mean to the future richness of the nation, can only be realized when we see what has taken place in the United States. Undoubtedly it will help us to solve our transportation problem. It will also help us to solve our unemployment problem, and it will add very largely to our national wealth. The development of these copper mines in northern Manitoba will mean a great deal to the industry all over Canada. For the treatment of these ores in Canada we require a very large amount of machinery and equipment. Most of that equipment at the present moment can be and is being manufactured in Canada; in fact, the activity which has been quite noticeable within the last few years in the mining equipment business and allied industries is due entirely to the mining development that has taken place.

We must bear in mind that the future of the mining industry depends very largely upon foreign capital. For years our mines remained undevolped for want of capital. I have heard some severe criticism and some doubts expressed as to the wisdom of attracting American capital to develop our Canadian mines. Mining differs in a great many ways from ordinary business. It is a business that is more or less speculative; it is a business of great hazards, and only those who are in

the business and have successfully developed mines are inclined to invest the immense amount of capital required to develop a mine. As I said a moment ago, the International Nickel Company in the installation of plant and equipment necessary to develop their new copper deposits will spend in the neighbourhood of fifteen to eighteen million dollars. There are very few corporations and very few individuals who are disposed to invest such a large amount of capital in an enterprise in connection with which they will have to wait possibly five or six years for any returns. That, Mr. Speaker, accounts in very large measure for the large amount of foreign capital which is coming into our mining areas. We would have welcomed a great deal more of English capital, but, unfortunately for us, the first English corporations which came to Canada and invested in our mines were unfortunate in their selections. They came into the mining area before the geology had been thoroughly explored, but to-day those areas are coming into their own. The holding in Canada of the 1927 convention of the mining congress has demonstrated to those learned men what great mineral deposits there are in this country.

The mining industry is one of those activities which unfortunately attracts but little attention. Though it is but rarely referred to in this house it is pregnant with wonderful possibilities for the future development of this country. It is predicted by those who are best in a position to know that within the next decade the products of our mines will be our largest source of wealth. We in the north have hope and faith in the future of this nation. We have seen the rapid transformation which has taken place in that part of Ontario, and we can see that with the continuous increase in the productivity of the west, with our industrial expansion due to the development of the natural resources and our increasing world trade, in the near future, Canada will be called upon to take her place among the leading industrial nations of the world.

Mr. C. H. DICKIE (Nanaimo): I am sure we all listened with great interest to the address of the hon. member for Nipissing (Mr. Lapierre). We were very glad to hear of the wonderful progress which has been made in the north country, and I am sure the indomitable people who first went in there deserve all the success which they will doubtless achieve. There is a wonderful mining country in northern Ontario; another is coming into being in Manitoba, and we have the mines of Quebec as well. Wherever the Laurentian shield extends minerals will be found, and wherever the precambrian rocks exist will be found gold. The geologists tell us that in two years Canada will outstrip the United States, and that in less than five years we will produce more gold than South Africa. That is a wonderful tribute to a wonderful country.

We also have great mines in British Columbia, among them the biggest copper mine and the biggest lead mine in the British Empire, and in British Columbia mining is also experiencing a revival. Canada has great forests, immense potential waterpowers and wonderful agricultural land, and the sad thing is that with all these possibilities we are drifting along, lagging behind with a population of only nine million people. There is something wrong with the directorate of this country or we would not have this state of affairs. Look at the situation with regard to our forests: each year wood, wood products and paper to the value of $240,000,000 go to the United States; we export to the markets of the world a great quantity of grain; we have these great mineral deposits. Why then, are we simply marking time while other nations outstrip us in the race for nationhood? I think we should devote a little more attention to economics and waste less time worrying about our status within the British Empire. We should make a sound economic study of this country, but I am afraid the present government is unfit for the task.

It was a pleasure to listen to the last speaker (Mr. Lapierre), but it was painful to listen to the budget speech this year. The minister fulfilled a very difficult task, but he presented a very serious aspect of affairs when we come to analyze it. Canada is not going ahead as she should. We say times are better here, and that everyone in Canada is prosperous. That may be so to a certain extent, but if you ask two or three thousand people in this beautiful little city whether they have experienced any prosperity, and ask the same question in Vancouver, Montreal or Toronto, I am quite sure they will all tell you the same thing. We cannot be a prosperous nation unless the rank and file are prosperous, and unless people are employed. Why are they not employed? Why are they going to the United States year by year, as has been the case ever since I can remember? Our manhood and womanhood are the only finished products the United States will accept from us, and they take our young men and women without question because we are known to be a resourceful, honest people. They would rather swell their population with Canadians than perhaps any other race on the face of the earth. I can remember that in the early days in California the best recommendation

any man could have was to be a Canadian, and almost the same situation exists there today. As I have said, we were known to be resourceful: we were accustomed to frugality and were not given to many of the habits which prevailed in that careless western country, so people wanted Canadians in their employ if they could possibly get them. At present in the cities of Seattle, Portland, San Francisco and Los Angeles, I venture to say one-half the bank employees are Canadian boys who have drifted down from Vancouver Island, and their fondest wish is that some day they may be able to return. Of course they cannot go down there under contract to work, but they write to a manager of a bank to ask if he requires any additional help. They will then receive a letter telling them to call in if they happen to be going past the bank, and when they do so almost invariably they secure employment at wages much better than those paid by Canadian banks.

We speak of an immigration policy; let us get right at the root of the matter and see on what we can found such a policy. There is only one sound principle, and that is to make this country a place where workingmen can exist and rear their families in comfort. Let us provide an outlet for our children, so that when they graduate from the universities and commercial schools they will be able to find employment and remain in the country they love so well. As it is now, what prospect is there for any of these men in the west, let us say? They are all raising families, only to see them depart for the United States as soon as they attain manhood and womanhood. That can be prevented by making this country just as good to live in as they find the United States. We still have plenty of raw material, although we are waging a relentless fight against our forests. The forests of the United States, together with a good many mines, have become nearly exhausted; as you all know, there is very little pulpwood left in the eastern United States. If we do not continue our foolish policy of sending them $15,000,000 worth of pulpwood every year, their paper mills will have to close down and they will probably come to Canada to carry on the manufacture of paper. I say we can make this country as attractive as the United States; it could be done if we had the proper directorate, but today, when we should be riding on the crest of the wave of prosperity, we find ourselves wondering whether times really are good in Canada.

What have we been doing; what has been our policy? After looking over the figures I wonder that we find ourselves as well off as we are. Let us consider the trade of Canada with the British Empire. In 1926 our exports to the United Kingdom amounted to about $459,000,000, while in 1927 they fell to $409,000,000, in round figures. That represented a loss of $50,000,000 in our exports in one year. In 1926 we imported from the United Kingdom goods to the value of $164,000,000, roughly, and in 1927 about $182,000,000, which meant that we imported $17,000,000 more in goods and exported $50,000,000 less. In 1926 our favourable balance of trade with the United Kingdom was about $299,000,000, while in 1927 that figure fell to about $217,000,000. That represented a loss in trade of $82,000,000, although of course we still have a very favourable trade balance with the United Kingdom. Bearing in mind that $217,000,000, let me give the figures with reference to our imports and exports. From the United States in 1926 we imported goods to the value of $668,000,000, and in 1927, $707,000,000. There we have an increase. In 1926, on the other hand, we exported $465,000,000 and in 1927, $474,000,000. That may not seem very bad on the face of it, but our unfavourable balance of trade in 1927, compared to 1926, shows a loss of trade of $39,000,000. We received $217,000,000 from the United Kingdom of a favourable balance in our trade, whereas we paid to the United States $232,000,000 more than we received from our friends in Great Britain. In other words, our balance from the United Kingdom is wiped out completely and we have to dig down into our pockets for sufficient money to offset the difference in respect of the United States.

Mr. ADSHEAD: How is that unfavourable trade balance paid?

Mr. DICKIE: In trade.

Mr. ADSHEAD: By further trade?

Mr. DICKIE: It is paid by trade to a great extent. But let me ask my hon. friend this question: Is it necessary in order to have trade relations with the United States that we should have an unfavourable balance of $232,000,000?

Mr. ADSHEAD: I was asking the hon. member how the difference in trade was made up and he said, by further trade.

Mr. DICKIE: Yes, but a trade that is unfavourable to Canada. Were it not for the products derived from our diminishing forests, forests that are being rapidly depleted, we should have an unfavourable balance of trade with the United States such as would alarm even my hon. friend from East Calgary (Mr. Adshead). I can understand a gentleman of my hon. friend's point of view wishing to buy

from the United States where he can buy on the cheapest terms; and that possibly is a good argument for a western man if he has no desire to do anything for Canada as a whole. But surely the people of this country, we in this House of Commons, should view the Dominion as an entity and be prepared to make some compromises for the common good. I believe we can make times good in Canada and build up manufactures in Ontario and Quebec, and also make Winnipeg and Calgary manufacturing cities. But in order to do this our people must cultivate the spirit of compromise. Is it not worth it to bring about a state of things which will make a home for our children when they have graduated from our schools, rather than have them drift away from us to enhance the prestige and enrich the coffers of the country to the south of us?

I have no fault to find with the policy of the United States; indeed, I only wish that we in Canada would copy it. I can well remember the time when the United States imported from England all the iron and steel it required. England had built up an admirable manufacturing industry in this line through the employment of the best scientists in the world. And she had coal and iron ore lying side by side, sufficient to supply the demands of all nations for iron and steel. At that time she supplied the needs of the United States in this direction. But what happened? Broadminded men in that country saw that too much money was leaving the United States, and they took this view: "We have the raw materials; let us build up an iron and steel industry in this country. Let us supply our own needs." But people with small minds who did not view things with a broad outlook said, "You will have to pay more for your iron and steel." Well, those of foresight in the United States admitted this, but they pointed out that they would be able to provide employment for a larger population. With this object in view the United States imposed an almost prohibitive duty on iron and steel, increasing it still higher until the duty constituted practically an embargo. And under that embargo was built up the great iron and steel industry of the United States, the barometer of trade in that country. Armies of men were employed in the iron and coal mines; cities sprang up; thousands of people came from other countries, and a vast population was accumulated. What argument was there against the means which they adopted to build up that industry, which could not have been created unless the people had been willing to pay more for their product for a time at least? When they had their industry in full working order then they were able to compete with the world in iron and steel. But it took them many years to accomplish this. Now, I have no doubt that we could do the same in Canada if we only tried. We need to use good judgment in considering the question, but I see no reason why my hon. friend from East Calgary, and for that matter any gentleman living say in the interior of Saskatchewan, should lose one dollar through the development of trade in this manner. I can conceive the possibility of a government with actuarial ability and broad common sense quite easily devising some scheme whereby if one part of the country suffered unduly by reason of something that made for the prosperity of the Dominion as a whole the discrimination might be offset in some compensatory way. I see no reason why this should not be done.

I know no argument that can be advanced against a larger population for Canada; certainly we must have a population. But as things are being carried on in Canada at the present time I dislike seeing any immigrant come to these shores. Let us get the country ready for immigrants; let us so arrange our economic affairs that if a man, for some reason or other, cannot take up farming he may go into some manufacturing centre and find work not only for himself but for his children as well. A policy of this sort requires sensible, careful handling, and above all we must look at things from a broad national standpoint. Let us take pride in this great country, about which we have heard from my hon. friend who preceded me. Let us see whether we cannot make this nation worth while. I have not the slightest doubt that with a sound economic policy we could bring millions of people here to augment our population, having them knocking at our doors for admission.

We are spending millions of dollars to induce immigrants to come into Canada while at the same time the Americans are spending vast sums to keep them away from their country. Canada for the last twenty-five or thirty years has been an immigration agent for the United States; I make that statement without the slightest fear of contradiction. The very best of our young men have been pouring across the border year after year, with the result that while the Americans are securing all the immigrants they can assimilate we are losing the cream of our population. So rapidly, indeed, is the population of the United States increasing that that country has found it necessary to enact a quota law to keep foreigners from its shores. Our Canadians, on the other hand, are admitted into the United States without let or hindrance. Why can we not take a leaf out of their book? Why can

we not adopt some sound, vigorous policy which will promote our own interest? We need not be bound by mere words; let us shun the term "protection" and "free trade" and simply get down to a common sense basis. Let us enact some common sense legislation which will foster various enterprises in this country. In may be perhaps that under some form of protection a manufacturer here or there may profit unduly. But we can take steps to remedy any evil that may arise in this direction. Nevertheless I am firmly of the belief that our manufacturers must be protected if we are to get anywhere; they must be enabled to make such profits as will render it possible for them to pay fair dividends, to lay by something against lean years, and to pay their employees as good wages as are paid in the United States, and even better.

Give our manufacturers Canada for a market and they can do this; and we can see to it that they do not profiteer to any unreasonable extent. As things are to-day, our industries are fighting against odds: the boot and shoe manufacturers and the textile people are struggling along, not knowing what they will do from day to day. The textile industry of Canada supplies just thirty per cent of the wants of our people, working only fifty-eight per cent of single shift time. And the same condition exists in other industries; the cloth industry is in serious straits to-day. It may be asked: What about the textile industry of the United States? It also is in bad shape; it is not making any profits. But the situation is entirely different in the United States. Over there they have ninety per cent of the home trade in addition to the trade they secure from Canada. The industry in the United States is over-machined; it has too much equipment. We in Canada on the other hand have an equipment which is sufficient to supply the needs of a far larger market than we enjoy at the present time; we could supply 75, 80 or 90 per cent of the people of Canada with cloth if only the conditions were favourable.

I might discuss other industries but I will not do so; the story is very largely the same in respect of them all. We must give our manufacturers a chance tc make good. Do not let us think that every manufacturer, because he makes a profit, is diabolical, as I have heard him characterized on the floor of this house. Our manufacturers must make money. There must be some goal for them to strive towards, otherwise they will not invest in industrial enterprises in Canada. With our wonderful water-powers, and with natural resources such as we have in this country, Canada should be highly prosperous. Let us see whether we cannot ride on that wave. I have every sympathy with the people both of the province of Quebec and of the prairies. Indeed, so far as the prairie provinces are concerned, all you have to do is to visit that country in the winter and you will realize the conditions that confront those people. Possibly they are not living the kind of life that makes for a broad point of view; conditions there may have a tendency toward narrowness of view.

Mr. McMILLAN: It is the opposite.

Mr. DICKIE: Nevertheless, they are conditions that make for honesty of purpose. I give the people of the west credit for that virtue.

In conclusion, may I ask that we forget everything but the important fact that we are all Canadians living in a great country which we can make still greater, a country of which we should all be proud? Let us not give up to politics that which was meant for mankind. And too many of us are inclined to do this. I mentioned the people of Quebec. Let me say, so far as they are concerned, that they are a fine industrial people who are willing to work, and it is unfortunate that for years and years their population should have been drifting across the line. As a good old priest remarked to me one day, "When our people go across the border away from mother church they lose the religion they learned at their mother's knee." Why should this be necessary? Quebec, with its wonderful resources, should be able to retain all its population and repatriate many of those who have left the Dominion to help to make the United States a great nation. Let us do something to remedy this condition of affairs.

Mr. G. L. DIONNE (Matane): This is practically the first time, Mr. Speaker, I have addressed the house, because I had not an opportunity to speak in the previous debate. However, I will now take occasion to make a few remarks on the motion before the house, and before discussing the subject matter of the present debate I wish to congratulate you, Mr. Speaker, on the manner in which you have presided over the deliberations of this chamber. I do not want to throw bouquets or burn too much incense, but I think I may safely say that your presence is an invaluable asset to the house.

I would also congratulate the Prime Minister (Mr. Mackenzie King) on the splendid document we have in the speech from the throne, now disposed of, while at the same time commending the mover and the seconder

of the address in reply thereto. Let me also compliment the leader of the opposition (Mr. Bennett) on his elevation to the position he now holds. It is a matter for gratification that the members on this side of the house show such good will and understanding in the support they give to the government, while I admire at the same time these qualities in hon. gentlemen opposite, who support their chief with equal loyalty. And while I am offering congratulations, I must not forget the ministers of the government, who have so wisely managed the affairs of the country.

As a member from Quebec, I rejoice in the elevation of Archbishop Rouleau to the office of cardinal, and as one interested in the diocese of Rimouski I take very great pleasure indeed in the appointment of Bishop-elect Courchesne.

Now, Mr. Speaker, I do not intend to review all that has been said since the beginning of the session; interesting though it would be, I have no inclination to travel all over the globe following all those who in their speeches have been making excursions into other countries. We have heard a good deal about emigration and immigration. As regards emigration, I have read that the Chinese at one time built very high and thick walls around their country and erected ponderous iron gates to keep the insiders in, but after a number of years they were obliged to remove the gates and very largely demolish the walls to let those insiders out. I presume it was getting too warm from overcrowding, and now the Chinese are scattered pretty nearly throughout the entire world. It is a very difficult matter, Mr. Speaker, to prevent emigration; indeed, it is almost an impossibility. But emigration can be to some extent moderated by means of laws not only enacted but strictly enforced.

As regards immigration, we have been acquiring considerable experience over the years, not without some success, and at a considerable expenditure. I am in favour of immigration, but I do not think that we should restrict it to people from the British Isles; we should get immigrants from France, Belgium and Sweden. When we are discussing the types best suited to this country, surely we must realize that the peasants from these three countries are well adapted indeed to conditions in Canada; they are farmers who have been brought up to an agricultural life and they would certainly do well here. What we need is, of course, an increase of population; our population instead of being nine or ten millions should be anywhere from seventy-five to a hundred millions. It is all very well to aim at an increase in population by means of immigration; but, Mr. Speaker, what is far more desirable is a natural increase. I would advocate the marriage of men between the ages of twenty and forty-five, and if we could raise families of five, ten and fifteen, yes, and even twenty children, our immigration problem would soon be solved. I would even encourage the marriage of the youngsters, those between eighteen and twenty. These youngsters marry, it is true, but unfortunately they ignore the responsibilities of the married state and have no children.

Coming now to the budget, I must congratulate the Minister of Finance (Mr. Robb) on the very able speech he delivered to the house. In view of what that speech discloses, there is not only hope of prosperity; we are actually in an era of prosperity. Agriculture is our main industry in Canada and we should encourage it by every means at our disposal. The farmers deserve every assistance we can give them. I have heard a good deal about the development of our natural resources, and much has been said in regard to mines, minerals and ores. This is all very well, but we must have the courage to develop those resources.

I have here a newspaper despatch quoting the comment of the *London Express* on the Robb budget:

> The Budget Makes One's Mouth Water
>
> London, 20 (S.P.A.). The newspaper "The Express" commenting on the Robb budget, says that it is one of those which makes one's mouth water. It is a further proof that Canada is one of the most enviable countries of the world, and that its prosperity, born from its natural resources, is permanent. After all, this is but a small issue if we are to compare it to the future possibilities which awaits it. Young men and girls should have no hesitation. The inheritance of the Empire and of good fortune await them on their arrival."
>
> The Sunday Observer remarks that Mr. Robb prepared his budget in view of rousing the envy of the finance ministers of Europe. "The tariff" it states, is of a nature to safeguard the interests of the country in a movement which is making great progress. The principle of British preference is always maintained and is established as solidly in Canada as it is in England. In a word the budget and the conclusions which they draw from it show up the opportunities of an energetic and coherent policy of immigration.

Now I return to the subject of immigration. There are some sons of Canada that have been in the United States for a number of years and they would be happy to return to this free country. By all means let us encourage the repatriation of Canadians now resident in that country. Some of them may not be able to come back, but others will be very glad to settle on farms in this Dominion. At the same time while it is a good thing to encourage immigration, it is far better to

keep in Canada those who are now here. Hon. gentlemen opposite have spoken of the exodus to the United States, and they say it should be checked. By all means let it be checked. I remember, however, the period from 1882 to 1896, although I was very young then, when the Conservatives were at the head of affairs in this country. There was quite an exodus to the United States at that time, and what did the government of that day do to check it? Absolutely nothing.

I am not going to enter, Mr. Speaker, upon the discussion of the complicated tariff items dealing with woollens, textiles, silks, worsteds and so on. The hon. member for St. Lawrence-St. George (Mr. Cahan) undertook that task this afternoon and got considerably twisted in his subject. I should not like to meet with the same experience.

Hon. gentlemen opposite talk about the national policy. Their policy used to be "Liberal-Conservative"; now they have dubbed it "national." It will only be necessary to add i-s-t for it to become "nationalist."

Some hon. members have spoken here about the banking system. The banking system in this country is all right enough; it works fairly well for those who can get money from a bank, but the farmer cannot get it. So far as he is concerned the system is no good. I will not speak about capital, because since 1925 I have been more used to paying interest than accumulating capital. I will not speak about capitalism because I know nothing about it. What I am familiar with is capitalized interest. Neither will I venture an opinion with respect to capitalists. I know some of them and they are very nice, decent "socialists."

Talking about repatriating Canadians from the United States, there is a nice opportunity for promoting this laudable movement. I refer to the building and operating of a railroad from Gaspe to a point in the Matepedia valley and then on to Edmundston. This line would run through a well timbered territory, through country rich in minerals. There are rivers and lakes in that district which would prove a paradise to the sportsmen. I do not hesitate to say that tourists would pour in by the thousands to that district if it were made accessible. Here is an opportunity to settle repatriated Canadians, along the route of this new railway. It would help in the opening up of new parishes, and would develop the natural resources of this part of Canada, to say nothing of yielding millions of feet of lumber and millions of cords of pulpwood. Taking all the prospects into consideration, this railway, if it were built, would in my opinion, be one of the most profitable in the whole country.

Something has been said about encouraging the raising of sheep. Now that sheepskins are entering into the manufacture of furs of all kinds, here is an additional incentive for the raising of sheep.

I should like to say a word or two to those who fear the occurrence of another war. There is a cloud in the sky, but it not a cloud which portends danger. It is a cloud full of good will and understanding, if I may use that expression, and it will burst in an expression of good will over the entire world. Let there be no fear of the coming of another war. If one should occur it will not be fought with deadly weapons but with pop-guns and pea-shooters.

I have already spoken of the natural resources which await development in my constituency. There are wharves also which need filling, and I hope the Minister of Public Works (Mr. Elliott) whose generosity is so well known, will make generous expenditures for this purpose, not only in my constituency but in other constituencies also. May I say in conclusion that I trust the government will not exercise the pruning knife too rigidly when it comes to making provision in the supplementary estimates for works of various kinds calculated to meet the necessities of the community and to promote in every way the development of the country. I hope to have other opportunities of explaining the needs of my constituency.

Mr. MANION: While it is a little earlier than usual to rise, there was an understanding between the whips that upon the conclusion of the speech of the hon. gentleman who has just resumed his seat, the debate should be adjourned. I therefore move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie King the house adjourned at 10.10 p.m.

Tuesday, February 21, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

First report of the select standing committee on miscellaneous private bills.—Mr. Parent.

REPORT PRESENTED

Report of Gordon W. Scott, Chartered Accountant of Montreal, on the activities and

"modus operandi" of the Department of Soldiers' Civil Re-establishment.—Hon. Mr. King.

CUSTOMS TARIFF SCHEDULE

Hon. J. A. ROBB (Minister of Finance): On Friday of last week the hon. member for Winnipeg South Centre (Mr. Thorson) asked for a comparative statement of the changes in the customs tariff as delivered in the budget. I am now tabling this, errors and omissions excepted. The officers of the department assure me that it is fairly complete, but as there are a number of reclassifications we may discover some errors as we proceed. I beg to move, seconded by Mr. Dunning:

That 1,500 copies in English and 500 copies in French of the comparative rates of customs duties enumerated in the lists now tabled be printed forthwith, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

TARIFF ADVISORY BOARD

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Minister of Finance if he will file a statement showing the applications that have been reported upon by the tariff advisory board?

Hon. J. A. ROBB (Minister of Finance): I think I can. I will look into it and give my hon. friend an answer to-morrow.

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): I would like to ask the Minister of Health whether it is the intention of the government to have the Hunter report printed and distributed to the members?

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): I had not thought of doing that. The report was tabled yesterday and I see that it has been given a good deal of publicity in the press. If it were thought essential to publish it, I do not suppose there would be any objection, but I do not think it is necessary.

Hon. R. J. MANION (Fort William): I think it would be advisable if the minister would agree to printing the report, as it is not a very lengthy one. I am not speaking of the evidence; I am speaking merely of the report. The house would appreciate its being printed.

Mr. PARENT: I submit that this should be published in both languages.

Right Hon. W. L. MACKENZIE KING (Prime Minister): On behalf of the government I would say that a motion will be introduced to-morrow to have the report printed in both languages.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Monday, February 20, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment thereto of Mr. Cahan.

Hon. R. J. MANION (Fort William): Mr. Speaker, in the forty minutes at my disposal I shall not attempt to deal at all exhaustively with the financial aspects of the budget. They were dealt with very ably yesterday by the hon. member for St. Lawrence-St. George (Mr. Cahan). He particularly pointed out the fallacy, stated now for two or three years by the Minister of Finance (Mr. Robb), in regard to the supposed cut in the debt of this country when, as a matter of fact, due to guarantees placed upon bonds for the national railways, bonds upon which the national railways are not paying interest, the debt is really being increased rather than decreased. When the railways reach the stage of paying interest on their bonds, then the Minister of Finance might be justified in taking the attitude that he does. I do not, however, wish to go further into that matter as the hon. member for St. Lawrence-St. George elaborated it very thoroughly yesterday, and I have other matters to deal with in regard to the faults and failings of this government which will take me my full forty minutes, and, if I were permitted, would take me three times as long.

The rest of the budget deals largely with matters such as the income tax, and income taxpayers will no doubt be somewhat pleased. As that affects only 200,000 or 225,000 people in this country, it does not affect 97 per cent of the people at all. The corporation tax is another of the same sort. If the reduction in the sales tax had been ample; if it had been along the lines proposed in our amendment, it might have made some difference in the cost of living; but as it is merely a reduction of the sales tax back to the point at which it stood when we went out of power, a reduction of only one per cent from the present rate, I fear that not very much of the reduction will be passed on to the consumers of this country, and, therefore, I am afraid that, as the tax stands to-day, the public generally will not benefit much.

While the tariff changes may seem minor when one looks at them first, already from reports coming in to members of this house who have in their constituencies mills which are affected by these tariff changes, it looks as if serious injury was once again going to be done by this government to the industrial life of this country. I have incidentally in my hand a report which I received a couple of days ago in the mail. This is the annual report of the Monarch Knitting Company, a company in which many years ago I happened to take a very small block of preferred stock. About the time when this government came into power—I do not say it was exactly at that time—this company stopped paying interest on the preferred stock, and I notice in their financial report this sentence which is worth reading:

> We are hopeful that an adjustment of duties at an early date will enable us to secure the portion of the business which we previously enjoyed, but which is now going to countries with a lower standard of wages and living conditions.

I fear the Monarch Knitting Company among others will not derive much benefit from the present budget. As time goes on, the government and the people of this country will find that the reductions in the present tariff, though minor in appearance, will do more injury to the industrial life of our country and drive still greater numbers of our people to the country to the south of us to earn their living which they are denied here at home.

Let me ask the Minister of Finance this: What is there in the whole budget for the ordinary man in the street? The budget is largely a review of conditions as seen through the somewhat prejudiced glasses of the Minister of Finance with the addition of the usual boasts by the minister and the government that such prosperity as the country is enjoying is the result of their good work in governing this country. As a matter of fact, they know as well as we know, and as the people of Canada know full well, that the real improvements, such as they are, that have taken place in conditions in our country have been due to the munificent gifts of nature, to our fertile soil, a salubrious climate, to deep and rich mineral deposits, to our teeming fisheries, and to the luxuriant growth of pulpwood and timber in our country—all nature's gifts merely awaiting the hand of man to turn them into wealth in this magnificently endowed country of ours. We have made this general statement from this side of the house many times, and it has been denied by members on the other side. I do not like to make a general statement without giving some proofs. I looked up the values of production of various kinds in this country since this government came into power, and I find that in 1922 the total production in all lines was $2,939,000,000. In 1926, the last year for which statistics are available in the statistical branch, the total production was $3,582,000,000, or an increased production of $643,000,000 net.

Mr. DUNNING: Hear, hear.

Mr. MANION: My hon. friend the Minister of Railways says, "hear, hear." I am very happy to agree with him that increased production has taken place, but of that increased production, $304,000,000, practically half of it, was in what are called the primary industries; that is, agriculture, mining, forestry, fisheries, trapping and electrical power, over which even my hon. friend the Minister of Railways will admit that no government has any particular control.

Mr. DUNNING: Oh!

Mr. MANION: The total primary production of this country in 1926 was over $2,000,000,000; that is the production over which the government has no control in these primary producing industries; in other words, it was the result of our natural resources in this country, plus the energy and ambition of our people, and had nothing whatever to do with this government or any other government. If we had been in power I would say exactly the same; and the balance of the riches that have been produced in this country is merely the consequence of those greater riches produced by the bounties of nature. Yet this government boasts continually that the improved prosperity—I do not like to use the term increased prosperity, because I fear from many evidences that that prosperity is largely superficial—the government boasts that the improved conditions are entirely due to their efforts. They seem to be so surprised that their foolish policies in so many directions have not entirely ruined the country that they have become more or less intoxicated and have formed themselves into a sort of mutual admiration society, and even the Minister of Finance, who is usually rather moderate in his remarks, has now joined that society and elaborated upon the good work of the government in combining with nature. Only the other evening the Minister of Railways was reminded of the bounties of Providence, and with a complacency that was almost unparalleled he agreed that Providence was combining with this government; he even went so far as almost to congratulate Providence on having this government's coopera-

tion. It reminded me a little of a rhyme I knew some twenty-five or thirty years ago that was made by an American admiral regarding the then kaiser. It was called "Me and Gott." The first verse ran:

> The kaiser of this fatherland
> And God on high all things command,
> We two, ach, don't you understand?
> Myself and God.

My hon. friend the Minister of Railways reminded me of that verse the other night, but I should like him to remember what happened the kaiser; it might be well to remember the lessons of history. I add that if there ever was a government which deserves so little of that self-laudation and self-satisfaction in which this government so easily and so often indulges, it is the present government. What has really happened is that a kindly Providence took pity on an afflicted land—afflicted with a government that lacks leadership, initiative, decision and imagination, a government which seems incapable of deciding for itself and must have everything decided for it by a commission of one kind or another. For example, we have had commissions in the last year or two on the claims of the maritimes, soldiers' civil re-establishment, immigration, the tariff, agriculture, and heaven only knows how many other subjects. I find myself wondering if this government ever has had the courage, decision, and imagination to decide anything without first being told what it should decide by some commission appointed by itself or by this house.

Let me in the few minutes at my disposal analyse very briefly a few of the delinquencies of this government. I will touch briefly on some of its errors of omission, though I could spend just as much time dealing with its errors of commission, but as I have not time to deal with both, I shall deal with the sins of omission of which it is guilty.

I shall not be so unfair as to say that this government in the seven years it has been in power has never done any good thing. I admit that probably it has at one time or another done something that has been useful to this country.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: Each of the ministers is smiling and taking the credit to his own department. Even my friend the Minister of Finance is becoming afflicted with the habit.

Let me name, Mr. Speaker, a few of the important problems which this country has to face, and which it must solve if it is to become one of the great and progressive nations of the world. The first one I shall name is the immigration problem. Everybody who speaks before audiences in this country admits that immigration is one of the most important problems in our country. With our vast open spaces and our great opportunities Canada should be the mecca of all the desirable people in all the crowded portions of the earth, and yet the results which this government have achieved in the matter of immigration since it came into power are nil, or worse. Last year, according to the American figures, we lost to the United States over 84,000 Canadians, and that is in addition to those who crossed the line by underground routes and consequently did not get upon the American records. We received 159,000 immigrants, of whom 53,000 were from Great Britain—these figures are taken from the Immigration department itself —24,000 from the United States, and 82,000 from continental Europe. I became curious as to the 24,000 from the United States and asked authorities in the Immigration department to give me the figures as to their nationality, and I found that more than half of them were from continental Europe via the United States. So we have received in Canada, after losing 84,000 Canadians to the United States, 65,000 British people, and when I say British I am assuming all English-speaking immigrants to be British. We have received also 94,000 continental Europeans. I have nothing to say against them. I have a great many of them in my own part of the country and I like them very much, but they have to learn our traditions, our history, our customs and policies and everything else in this country, and it takes a long time to turn them into Canadians equal to the Canadians born in this country. That shows what a very slight gain we are making from the standpoint of immigration in this country. There is no sign of an immigration policy from the government or from the minister who holds the portfolio of immigration.

And has anybody in this house any hope of the Minister of Immigration (Mr. Forke) giving us any policy on immigration. I say this without any disrespect towards him, but the hon. gentleman finds it difficult enough to answer the most simple questions affecting his department. Of course, everyone knows that he was not taken into the government for his ideas, but for the votes he could bring to their support. There is no more hope of getting a real immigration policy from this government than there is of turning snowballs into grapefruit.

In the forty minutes at my disposal I can touch only very briefly on these questions. What is the attitude of the government in regard to the St. Lawrence waterway scheme? Nobody knows. Reports have been coming

in since 1922, but apparently they have been pigeonholed and forgotten. After all, the government is supposed to give some leadership to the country, they are supposed to tell the country to some extent what steps should be taken, whether right or wrong. But so far we have heard nothing from the government on what is one of the most important questions affecting the Dominion—important not only nationally, but important internationally, because it affects both Canada and the United States. Again I ask, what is the attitude of the government on this very important question? Have they any attitude in regard to it? Nobody knows.

Then what attitude is the government going to take in regard to the development of the hundreds of millions of tons of iron ore which we have scattered throughout this country from the Atlantic to the Pacific? A United States engineer has estimated that there are three thousand million tons of iron ore, of 35 per cent or better, located along the north shore of lake Superior. At the present rate of consumption in the United States we have enough ore to last a hundred and fifty years, and yet we are mining not one ton of it to-day. Although the government have been approached by the Ontario government and by the government of Quebec, offering to unite with the federal authorities in a scheme for the development of our iron ore deposits, no move is being made by this administration. The cost of sending a more or less useless ambassador to Japan would at least be sufficient to try out such a scheme. It would give a chance also to lessen to a certain extent the imports of two hundred million dollars' worth or more of iron and steel products from the United States.

Associated with this is the question of the deplorable conditions in the iron and steel industry of Nova Scotia. That industry today is being run at only 30 or 40 per cent of its capacity. But no move is being made by the government to develop a policy to help the iron and steel industry. And yet this industry is the basic industry of commercial progress of every industrial country in the world.

Next I come to the coal question. What has the government done to give us a national fuel policy? We have the second largest coal deposits of any country in the world, yet last year we imported sixty-two million dollars' worth of coal, largely from the United States. Our miners in Nova Scotia are idle, our miners in Alberta are idle, but they are not any more idle than this government so far as a national coal policy is concerned. The people of this country, Mr. Speaker, are ready to make every effort and some sacrifice to get this important problem solved. Surely the government should make some effort to bring about a solution.

And what are the government doing regarding the development of our natural resources within the Dominion?—not permitting them, as at present, to go across in the raw state to our neighbours, from whom we are graciously allowed to buy them back at a much enhanced value in the shape of finished products. In this as in everything else the government are doing everything to favour the foreigner, and as little as possible to favour Canadians, because so far as anyone can see not a move is being made by the government to solve this great national problem.

Then I ask, what is the government doing to open the thousands of closed plants from the Atlantic to the Pacific? I have in my riding a number of closed plants. I have brought their condition to the attention of the government, but without result. Yet the imposition of a duty of a fraction of a cent a pound would open at least one of those plants and give it the Canadian market. But not a move has been made by the government to reopen that plant or any of the other closed plants throughout the Dominion. This budget instead of opening some of these plants will either close down more or compel them to lower their production.

What is the government doing regarding the exodus of our people to the United States? Last year that exodus amounted to over eighty-four thousand people. True, that is not as many as went across in the previous years, simply because there are fewer to go. That is the main reason, and in addition we have to thank a bountiful Providence, which, plus the exodus of hundreds of thousands in other years, leaves fewer at home for the jobs which now remain. That is the way the government has cured the unemployment problem—by exporting our unemployed to the United States. The cure for this undesirable condition, Mr. Speaker, is to provide more work and wages so that our workingmen may remain in Canada. Let us do this instead of benefiting the foreigner by increasing our imports. It is only by a policy that will encourage the greater production of all kinds of commodities in this Dominion that we shall build up a broad national life, and so give our sons and our daughters the opportunity to remain in their native land instead of being forced to go to the United States, as they are at the present time, to get those opportunities which are denied them at home. Those boys and girls of ours desire to remain Canadians. They want to utilize their talents.

employ their energies, and fulfil their ambitions here, but the government are doing their best to force them across the line and so turn them into good citizens of the United States.

And what about Senate reform? Not a very important subject, I admit, although the Prime Minister at one time made it a prime subject, in fact his battle cry, when appealing to the electorate. What has happened to Senate reform since the people were hoodwinked by that battle cry of the Prime Minister? I am afraid that having served its purpose it has gone into the limbo of forgotten things.

The cost of living was another battle cry. I remember the eloquence of the Prime Minister, ten years ago, when he was leading the opposition. Backed by the Minister of Justice (Mr. Lapointe) he used to tear us to shreds and rip the silver off the clouds in their denunciation of what they termed our criminal folly in not cutting down the cost of living. They used to do that.

Mr. CHAPLIN: And Mr. Murdock.

Mr. MANION: Yes, but the people attended to him. They used to move an amendment each session condemning us for not cutting down the cost of living. I have looked up the cost of living for the past few years since my right hon. friend has been in office. This information I secured from the department of the Minister of Labour. It shows that in July 1922, a few months after this government came into office, the average cost of living for food, fuel, light, rent, etc., was $20 67. Last year in July it amounted to $21.10, five years after the government came into office, and in December, 1927, the cost of living had risen to $21.37. That is, in July, 1927, it had risen 43 cents, and in December, 1927, another 27 cents, or altogether 70 cents since our friends opposite took charge of the affairs of the country. I do not know how the Prime Minister and his supporters can answer the question, why they have not cut down the cost of living, for which they abused us so unmercifully when they were in opposition.

Then what about trade in general? The Minister of Finance has boasted of the increase in our trade, but for the last few years our imports have been increasing and our exports decreasing—the reverse of what all thinking people wish to see in this country. Our trade treaties have not helped us. Take the French treaty for example; under it France has benefited, not Canada.

Next I should like to know what the government have done for our workingmen during the seven years that they have been in power. Little, if anything, that I can think of. Of course, they will claim that they have given our working people old age pensions, but that scheme is only acceptable so far to one province, British Columbia.

Some hon. MEMBERS: No, no.

Mr. MANION: What other provinces have accepted the legislation?

Some hon. MEMBERS: Manitoba and Saskatchewan.

Mr. MANION: Do my hon. friends say that more than one province has accepted that legislation?

Some hon. MEMBERS: Sure they have.

Mr. MANION: Then the deputy minister of the Department of Labour is misinformed, because I made it my business within the last two days to put the question to him, and he told me that the only province that has as yet accepted the old age pensions legislation is British Columbia. I choose to accept his information as being correct.

Mr. YOUNG (Saskatoon): It is not finally accepted yet, but the necessary bill is now going through the Saskatchewan legislature.

Mr. MANION: In other words, hope springs eternal in the human breast, but hope deferred maketh the heart sad. I had disposed of old age pensions by stating the facts.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I do not know why my hon. friends laugh. The fact is that only one province so far has adopted the scheme.

Another claim by the government is that they have cut taxation for the benefit of the working people. What good will the cut in the sales tax do the working man? In all probability it will not be passed on to him. What good will a reduction in the income tax do him? Certainly no working man will benefit by the income tax cut for the simple reason that he does not pay income tax. Neither did the cut last year in the price of automobiles help him. Nor was the removal of the receipt tax last year—a tax which the government put on and then took off—of the slightest benefit to him. In short, the Canadian working man has less to give receipts for since this government came into power than ever before. I cannot find anything by which the government has benefited the working man. The real criterions of prosperity in this country are not the cost of automobiles, nor the height of the income tax, but the condition of the workingman's breakfast table

and his clothes line, and his opportunity to get employment when he needs it, instead of being obliged to seek his living in a foreign land. Indeed, the only kindness that I can find this government has shown the working men of this country so far is in giving to them permits to go over to the United States. A great deal of Christian forgiveness is all they owe it.

What is being done by the government for our returned soldiers? We hear more complaints than ever to-day about pensions, and yet the Pension department is being run at a higher cost. The Department of Soldiers' Civil Re-establishment is being abolished, largely, I have no doubt, on political grounds. But the strange thing is that the expenses of that department, added to those of the Department of Health with which it is now combined are higher by $35,000 this year than when the Department of Soldiers' Civil Re-establishment was functioning. For the year 1928-29 the total expenses of the two amount to $8,000,000 as compared with $7,965,000 the year before, or an increase of $35,000,000.

An hon. MEMBER: $35,000.

Mr. MANION: What did I say—millions? I do not want to make it worse than it is; it is bad enough.

Now, what has this government done for the miners, the farmers and the fishermen of this country? The miners of Nova Scotia are idle and the fishermen in many parts of the country are needy. Both for the miners who are out of work and those fishermen who are in straitened circumstances, I presume the reduction in the income tax will afford considerable relief. But, Mr. Speaker, for the farmers the government have done nothing; indeed, they have done less than nothing, for they have permitted tens of millions of pounds of butter to be imported to come into competition with and destroy the business of Canadian dairy farmers. Moreover, they have seen the American market practically wiped out; it has been gradually disappearing in the last few years so that to-day there is nothing to look for in that direction. I am not making statements which I cannot back up. In 1921 we exported of farm products to the United States—and I again quote the government's figures—$159,000,000 worth. If hon. gentlemen want confirmation of this statement I refer them to the report of the Department of Trade and Commerce. Compare that export figure of $159,000,000 in 1921 with our total exports of the same products to the United States in the same twelve months of 1927 of $64,000,000, and you have a reduction of nearly $100,000,000. This reduction in our exports of farm products to the United States within the last few years has been due, I admit, largely to the Fordney tariff—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: Who says no?

An hon. MEMBER: It is evident.

Mr. MANION: So is everything else evident that is wrong with this government. But, Sir, what is the government doing to improve the market for the farmers? The United States government puts up a high wall to keep out our farm products, while this government sits idly by and allows this exclusion of our products from the American market to continue without taking steps to offset it. Why should the farmers of the west support this government under such circumstances? Indeed, for that matter, why should any farmer from any section of Canada support hon. gentlemen opposite? Why should not red-blooded Canadians show some spirit of retaliation in self defence against such action on the part of the United States? I do not ask this question with any feeling of bitterness, for I fully realize that the United States government is protecting the interests of its own people. But why do we not assert ourselves and meet them on their own ground with their own weapons, instead of demanding, as some hon. members apparently are doing, that we import still more from across the line than we have done in the past?

But the farmers are not the only class in the United States whom the American government protects. I have under my hand all the facts of a case which I will quote from briefly, as I am bound to do seeing that my time is going. Let me mention this case of a Canadian manufacturer of ladies' garments operating in the city of Toronto. In May, 1925, he happened to be in Detroit and seeing in the windows some clothing with which he thought he could compete he managed to secure an order for $192 worth of ladies' dresses for shipment to that city. He shipped them over a tariff of 50 per cent; that was the rate of duty and the dealer in Detroit who had given the order knew it. This dealer paid the 50 per cent on the goods but the customs officers refused to release them, and practically overnight the duty was increased to 90 per cent, with the result that the dealer was unable to take the shipment and make a profit on it. What was the outcome of this endeavour to export to the neighbouring country? The manufacturer in Toronto, known to many hon. members, had to take back the goods after having paid express and other charges. This incident is

illustrative of the treatment which the Americans mete out to the producers of Canada. The only thing to which they give free entry from Canada is the brain and brawn of our country; they will admit, free, the best of our young men and women—the greatest natural resource of any country. Yet our imports from the United States are on the increase.

What is the situation so far as the automobile industry is concerned? And this is another matter in respect of which the Minister of Finance (Mr. Robb) frequently tries to hoodwink the Canadian people. I have heard him say quite often that the automobile industry has not been impaired as a result of the reductions which have been made in the tariff. He has many times so stated. I notice he does not just now interject any denial, but he keeps on reiterating that the automobile industry has not been injured by tariff reductions. Well, I can only again quote the government against itself. I have here a document entitled Monthly Report on Automobile Statistics for Canada, published by the authority of the Minister of Trade and Commerce, and dated so recently as 1928. It therefore gives the facts for the year 1927. I will quote just a few sentences. First:

In review—

That is after a brief summary of the situation.

—a comparison of statistical data covering the Canadian automobile industry for 1927 with the figures for the corresponding period of a year ago shows the following features: (1) Production was lower by 13 per cent; (2) exports were lower by 23 per cent; (3) imports were higher by 28 per cent.

Has the automobile industry been adversely affected? The answer is obvious. Let me quote further:

During December, 1927, the production of automobiles in Canada amounted to 3,435 cars. This was the lowest output reported for any month during the past three years, being only slightly over one half the number of 6,617 cars made in the previous month and less than one half the number of 7,752 cars produced in December of a year ago.

I quote still further:

Imports of automobiles into Canada during 1927 totalled 36,630 cars, an increase of 28 per cent over the 28,535 cars imported last year which in turn was almost double the 14,632 cars brought into Canada during 1925 . . . Exports of automobiles from Canada during 1927 amounted to 57,793 cars, a decrease of 23 per cent from the 74,553 cars shipped to foreign countries in 1926.

I trust that with these facts from the Department of Trade and Commerce staring the Minister of Finance in the face he will not have the effrontery—because his oft repeated assertion that the industry has not been injured as a result of tariff reductions is utterly unwarranted—to declare in the future that the interference with the tariff is not injurious to the industry of the country. But other associated industries as well have been similarly injured. Free trade England protects the automobile industry to the extent of 33⅓ per cent under the Safeguarding of Industries Act, and this is one of the few industries in England which is prosperous today.

There are other changes in the budget which will tend to ruin our industrial life, further increase unemployment, and take away from us our best boys' and girls' opportunities to remain Canadians. Apart from the serious blow struck at our woollen mills, what about the sheep industry? Canada is admitted by agriculturists to possess a country ideally adapted to the raising of sheep, and yet whereas there are two and three-quarter million sheep in Canada, Great Britain, as large as a postage stamp in comparison, has twenty-two million, New Zealand, about the same size as the British Isles, twenty-seven millions—nine times as many as we have in Canada—and Australia ninety-seven million. Canada, with two and three-quarter million sheep, is having its woollen industry materially affected by changes in the budget so that the sheep industry, instead of being encouraged, is in jeopardy, with the government a blight upon it.

We talk about national unity to which we pay a good deal of lip loyalty. But if you go into Quebec—and I say this in no spirit of bitterness whatsoever—you will find that issues have been raised there in the last three elections to create prejudices and antagonisms enough to last the country for another generation.

What has the government done to economize? Look at the estimates. Whereas the year before last the total estimates amounted to $348,000,000, last year they were $366,000,000, or an increase of $18,000,000, while this year they are increased still further by $8,000,000, the main estimates being $374,000,000. And this without the supplementary estimates, which will probably amount to another $10,000,000 or $15,000,000. Every country in the world—England, France, the United States, Italy and Germany—is practising economy; Canada alone seems to care naught for the future, Canada alone seems to think that there is no bottom to her treasury. The government seems to think that there is no limit

to the resources of the treasury. It is true that money has been freer in this country, but the old adage is just as applicable to governments as it is to individuals. Governments as well as individuals should prepare for the proverbial rainy day. It is true that the revenues of this country have been higher, but while the Minister of Finance claims to have lowered taxation he has actually increased it though he has lowered the rates of taxation in some instances

I was rather amused the other day when the Minister of Finance pointed out that the government is collecting $12,000,000 more from customs than it did last year. At that statement his supporters applauded noisily, whereas they should have been hanging their heads in shame when they remembered that this increase in revenue was the result of the efforts of my hon. friend the member for Vancouver Centre (Mr. Stevens) who insisted upon an inquiry into the affairs of the Customs department, with the result that a commission of inquiry was appointed and certain findings arrived at and partially carried out.

It is no wonder that there have been many demands in the press asking for the inauguration of economy. It is indeed time that the people of this country paused and thought of the future, paused and prepared for that proverbial rainy day which I mentioned.

Mr. Speaker, my time is nearly up, but before I sit down I wish to relate a little historical incident. It took place away back about one hundred years ago and it applies in a sense to this government. There was a government formed in England which contained many unknown parliamentarians, if you will—I shall not say mediocrities because I do not wish to be disrespectful to my hon. friends—so many people who were unknown, that one day when the Duke of Wellington was being told by a friend of his in the House of Commons who the members of the new government were, the duke being somewhat deaf, did not recognize the names and he kept asking "Who? Who?" That government from that day became known as the "who, who government."

Mr. LAPOINTE: It was another "shadow" government.

Mr. DUNNING: What about the "shadow" government?

Mr. MANION: I presume the shadow government as my hon. friends term it had many faults. Apparently the people thought so, but the faults of the shadow government were nothing to the faults of this government. I was going to say—in view of the questions I asked as to what this government had done to solve the various problems of the country, and to which the only answer I got was the echo "what?" throughout the halls of parliament—this government might be called, not the "who who government," but the "what what government"—perhaps I should say the "whatnot government."

Now, I am certain that I shall be taxed with having made a "destructive" speech, but what is the use of delivering any other kind of a speech in this house? What is the use of delivering constructive speeches to this government when they either do not comprehend them or do not accept them at their proper value? My hon. friend the leader of the opposition last year advanced a constructive suggestion in regard to a method of conducting the finances of the country. Was any attention paid to it?

Mr. GARLAND (Bow River): What is the policy of the Conservative party now?

Mr. MANION: Ask my leader when he speaks later on in the debate. Last year I offered suggestions to this government in regard to the development of our iron ore resources. I was backed up by the hon. member for West Algoma (Mr. Simpson) and the hon. member for Port Arthur-Thunder Bay (Mr. Cowan), and various other hon. members in this house. But no attempt has been made to develop the hundreds of millions of tons of iron ore which extend throughout this country from the Atlantic to the Pacific. The hon. member for Toronto Northwest (Mr. Church) moved a resolution urging the adoption of a national fuel policy, but nothing has arisen therefrom. The hon. member for Victoria (Mr. Tolmie) delivered a constructive speech in favour of a more progressive immigration policy, because we are not getting many immigrants of the right class into this country, but it failed to provoke any response from the government. What is the use then of offering constructive suggestions to this government? The only alternative, Mr. Speaker, is to convince the people of the country that if this magnificent nation is to be developed, if it is to get into its proper stride in the direction of national prosperity it will have to elect a government with initiative, with imagination, and with real leadership, with a strong, virile Canadian policy which will be employed on behalf of our native sons and not on behalf of foreigners in whose favour this government, consciously or unconsciously, seems to be acting all the time. The thinking people of the country realize that whatever improved conditions prevail in Canada are due to a bountiful

harvest, to the digging of minerals from the earth and to the pulp, paper, lumber and fishing industries.

An hon. MEMBER: And Providence.

Mr. MANION: And Providence over whose policy this government has no control, because if it had any control it would probably ruin Providence as well as the country. Unless this government awakes from its complacent and self laudatory lethargy I venture the prophecy that at the next election the people will be so aroused and will bring about such an upheaval that a speech such as this will not be needed in Canada in many a moon.

Mr. H. E. LAVIGUEUR (Quebec-Montmorency): We have listened to a lot of criticism from hon. gentlemen opposite, particularly the hon. member for St. Lawrence-St. George (Mr. Cahan) and the hon. member for Fort William (Mr. Manion) based upon the supposed imperfections of the budget brought down on Thursday last by the Minister of Finance (Mr. Robb). But I should like to point out that in the press of Canada, both Liberal and Conservative, very high appreciation of the budget has been expressed, and the greatest eulogies have been bestowed upon the government because of the features which the budget contains. There was, at the close of the fiscal year, a surplus of $54,815,000, which, added to the four previous surpluses of this government, represents a total of $150,000,000. Consider the reduction in taxation of $19,000,000 which will be of the utmost advantage to the country in general. The hon. member for Fort William said a moment ago that this reduction in taxation will not benefit the common people, but will be of benefit only to trade and industry. Well, sir, this is the kind of policy we want, because if industry and trade are prosperous the country will be prosperous. The enormous debt of this country has been reduced by a large amount, so we are going in the right direction. I heard one of the fluent speakers opposite state a few days ago that we were taking advantage of the prosperity of our country. That may be so, but I contend that the prosperity of the country is due to our administration. Take as an example the province of Quebec, which has had a good administration under the Liberal regime for fifteen or twenty years; the prosperity which exists in that province under that administration is recognized all over the country. So it would seem to me, Mr. Speaker, that this is one of the best budgets presented in this house since confederation.

I do not wish to speak at great length on these questions, which will be debated by more able members, but will pass on to a matter to which I have directed the attention of the house during the last two or three years. I refer to the Civil Service Commission. I have stated already in this house that I am entirely against this commission; I fail to see the good of it. I am not in favour of patronage, but on the other hand I believe that members should be prepared to accept the responsibility for any recommendations they may make. The Civil Service Commission costs this country over $300,000 each year, and it has been admitted that they do not render the service which was intended. In many cases I think they have made great mistakes, and I think it would be really better if the patronage were handed over to those who are responsible to their electors. I do not see why the head of a department, who is experienced in his work and who knows the kind of employees he wants, should not be more competent to select such employees from the applicants for any position, with the ratification of the minister heading that department. When I nominate a lighthouse keeper or a postmaster in the county of Montmorency, I think I am in a better position to judge the merits of these men than the members of the Civil Service Commission who sit here in Ottawa and pass upon these applications. It is within my knowledge, Mr. Speaker, that in some of the examinations conducted by the Civil Service Commission candidates passing the examination have not received the appointment, while others who have tried no examinations at all have succeeded in securing appointments. I also know of the case of a man who presented himself for an examination; he had taken a classical course in a Quebec seminary, but another man who could hardly read or write his own name was given the preference by the Civil Service Commission. There are many cases where we see that the Civil Service Commission does not serve the object for which it was created, and a change should be made immediately. I have nothing to say about the commissioners themselves; I think they are perfectly honest and are doing their utmost to fulfil their duties, but there is certainly some defect in this commission and radical changes should be made.

I made this same appeal last year; I stated my case then, and I again appeal to the government and to this house. To-day I again ask the government and the House of Commons to study this question of the Civil Service

Commission and see if any alterations can be made that will improve the situation. I stated that I was not in favour of patronage, but on the other hand I think it belongs to the member who has the confidence of his people to assume, as he should assume, the responsibility of the nominations he has to make in his constituency. This is patronage that belongs to us; it is patronage that should be left to the members and to the minister. When a member recommends someone either to the deputy minister or to the minister, there is the safeguard that he is interested in making the best nomination possible, and as there are always many candidates for the position, the recommendation of the man who is best able to recommend a candidate should be accepted in all cases. As I say, during the last three years I have spoken three times against the Civil Service Commission, in which I have no faith, and unless something is done I will not let the question rest. I know that many other members, I do not care who they are, Liberals or Conservatives or Independents, have had cases similar to the ones that I have mentioned. As I have stated I hope that something will be done to improve the situation, and unless something is done I will come back again next session, if not before.

I wish to say a few words regarding the railway situation in Quebec city. For many years we have been promised improvements and we have asked the railway authorities to give attention to the question as it affects our city. The Canadian National Railways have not furnished us with the proper accommodation that we should have in Quebec city. We have been told on many occasions that the railway authorities were contemplating the construction of a new station in our city and we hope they will do something to improve the situation. We should receive a much better service and on many occasions the Quebec board of trade, the city council and the citizens in general have asked the railway authorities for better service, but we find that things do not move very rapidly. I regret the Minister of Railways and Canals (Mr. Dunning) is not in his seat at the present time as I should like to draw his attention to this situation; but we hope that Sir Henry Thornton, who has made such a great success of the administration of the national railways, will spare a little of his time to come down and study the situation in our city.

Since I have had the honour of being a member of this house—and this is my twelfth session—I have every year drawn the attention of the house to some of the needs of my district and more particularly of my constituency. This year I wish to mention the question of a bridge between the island of Orleans and Quebec city. This bridge was promised some years ago, namely, in 1911, by the hon. gentleman who preceded me in this constituency, the Hon. T. Chase Casgrain, who then promised the people of the island of Orleans that a bridge would be constructed from the island to Quebec city. There are on the island of Orleans six beautiful agricultural parishes which in the winter time, are without any communication. The people there are most deserving and I may say, en passant, that it is very seldom one meets on the island of Orleans a family of less than ten, twelve, fifteen or eighteen children. Those people are asking for better accommodation; they are asking the federal government to help the province of Quebec to construct this bridge. A couple of weeks ago a delegation of more than three hundred of those good people came to meet their member, the Hon. Mr. Taschereau, Premier of Quebec, whose colleague I have the great honour to be, and they asked him to come to their assistance by constructing a bridge from the island to Quebec city. Mr. Taschereau's answer was that he was quite willing to do his share provided the federal government also did its share. I know that our worthy ministers from the province of Quebec who are here are most sympathetic to this project. While I realize it is a difficult one and the federal government will not build bridges, yet the federal government has on occasion subscribed generously towards bridge construction. I would once more ask our ministers from the province of Quebec to try to induce their colleagues in the cabinet to take action to assure the construction of the bridge on the island of Orleans.

There is another question in connection with the island of Orleans which I wish to mention here again to-day. For a considerable time past I have been urging the department to take control of the telephone system on the island of Orleans. The telephone system at present is under the control of a private company, which is exploiting the people. The service is very unsatisfactory, and the people maintain that they are being overcharged. What we are asking is that the government take over and administer this telephone system for the benefit of the people on the island, so that they may receive the service to which they are entitled. I regret that the Minister of Public Works (Mr. Elliott) is not in his seat at the moment, but I hope he will take note of this demand, for it is a question that must be settled, and settled soon. I would add that I am not simply asking for a settlement of this tele-

phone question on the island of Orleans; I say to the government that we want this telephone line and we must have it.

I have another demand to make of the government. I was very much surprised and disappointed to see that the necessary amount for the construction of a post office at Beauportville had not been inserted in the estimates. I hope the government will reconsider this question and that the amount required for the erection of a public building, to be utilized as a post office, on the ground purchased by the government in 1913 will be provided in the supplementary estimates, and work be started on the building very shortly.

Before taking my seat I wish to say a word with reference to the resolution put forward by the hon. member for Bonaventure (Mr. Marcil). The hon. member has decided to withdraw his motion protesting against the language of the Mexican consul at Toronto, who has insulted, I may say, half of the people of this country, French-speaking as well as English-speaking—

Mr. SPEAKER: Order. I may say to the hon. member that what I suspect he is about to say is out of order for that question is not before the house. We are now discussing the budget, with which it has nothing to do.

Mr. LAVIGUEUR: I bow to your ruling, Mr. Speaker. I only wanted to say that I would have been quite willing to second the motion of the hon. member for Bonaventure.

The name of the Premier of the province of Quebec, Mr. Taschereau, has been mentioned in this house, but I noticed with pleasure that the hon. member for Charlevoix-Saguenay (Mr. Casgrain) has answered certain criticisms which were made by the hon. member for Temiscouata (Mr. Pouliot.)

Mr. POULIOT: Mr. Speaker, I rise to a point of order. My point of order is that the matters to which the hon. member is referring were discussed in the debate on the address, when my hon. friend from Quebec-Montmorency (Mr. Lavigueur) had every opportunity to reply to those statements. This is a different debate entirely, and I do not know what relation exists between the Hon. L. A. Taschereau, of Quebec, and the federal budget at Ottawa.

Mr. LAVIGUEUR: I was going on to say, Mr. Speaker, that the hon. member for Charlevoix-Saguenay had answered very properly the criticisms which were made by the hon. member for Temiscouata as to the help given to the Hon. Mr. Taschereau in the last election. I say that there is not a man—

Mr. POULIOT: I ask for your ruling, Mr. Speaker.

Mr. SPEAKER: No reference can be made to a debate which has taken place during the present session.

Mr. LAVIGUEUR: I am not referring to another debate, Mr. Speaker, but to the speech of the hon. member for Charlevoix-Saguenay.

Mr. SPEAKER: That was in another debate.

Mr. LAVIGUEUR: I want to say, Mr. Speaker, that the Liberal candidates in the last election were all returned by big majorities, and that was due to the good policies of the Liberal party. In the Liberal party we have a very able man, the Hon. Mr. Taschereau, who has been unsparing in time, energy and influence, which he has used to help the Liberal party. The Hon. Mr. Taschereau, with the cooperation of the Minister of Justice (Mr. Lapointe) in this house and others have made the Liberal party in the province of Quebec a great success. I say that the Hon. Mr. Taschereau is one of the most influential men in his province, and no matter what may be said against him, his influence has always counted enormously in the great victories of the Liberal party. It is not necessary for me to say more about the sympathetic help which has always been given to the Liberal party by the Hon. Mr. Taschereau, nor need I refer to the influence which he has exerted in our behalf. That influence is the result of the excellent administration that he has given to the province of Quebec since he succeeded Sir Lomer Gouin as premier.

Before taking my seat, Mr. Speaker, I have just one more word to say. I for one regret the insinuations made against the Hon. Mr. Taschereau by an hon. member in the course of a speech which he recently delivered in this house.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, it was not my intention to take part in this debate at the present moment, but through the courtesy of my hon. friend from Last Mountain (Mr. Fansher), who was to speak immediately after the hon. member for Quebec-Montmorency (Mr Lavigueur), I have been given this opportunity.

Last year the editorials in two of the most important Conservative papers published in the province of Quebec, the Montreal Star

and the Montreal Gazette, were not very favourable to this government, but since then there has been a great change in their attitude, and I think it is for the better. For example, since the budget was presented an editorial has appeared in the Montreal Gazette describing it as a bountiful budget. That was well-merited praise; but, better than that, it was true. I am very sorry that my hon. friend from St. Lawrence-St. George (Mr. Cahan) is not in the house at the moment, for I should like to have brought this change of attitude to his attention and to quote for his benefit what Queen Guinevere once said: They—of course I am referring to the Montreal Star and the Montreal Gazette—have been shamed into wisdom.

Yesterday I listened attentively to the speech of my hon. friend from St. Lawrence-St. George, and I noticed he made some rather remarkable statements about the capitalization of the Canadian National Railways. It seems to me that in drawing attention to the fact that the government has guaranteed the issue of Canadian National Railway bonds, he should not have lost sight of the further fact that the liability thus incurred is balanced by ample assets. I am not ready to accept everything that is done on behalf of the national railway system. I think it is a mistake, for example, to purchase new engines and leave the old rolling stock to rust in the engine graveyard. In my view the Canadian National railway management should repair the old engines, and thus give employment to our working people and at the same time effect economy of expenditure. But to return to the point raised by the hon. member for St. Lawrence-St. George. I would remind him that the government is not responsible for the bonds that it has guaranteed unless and until the revenues of the railway system are insufficient to meet the payments on those bonds. It is a very clear case, and I am sure every hon. member understands the position.

It should be remembered that the amalgamation of the various railways that we now know as the Canadian National Railways was brought about, not by a Liberal administration but by the Conservative or Union administration in 1919. Against the government of that day I have this very serious reproach: If at the time of the amalgamation the property was overvalued, it was the fault of those who prepared the legislation for submission to parliament and carried it through by the help of their supporters. I think the present management of the Canadian National Railways deserve credit for having been able to meet the interest charges on such a huge capital. But in this respect, although Sir Henry Thornton may be a very able man, I do not think the sole credit for this very fine achievement should be given to him; we should remember that the executive officers under him and the board of directors also contributed their share to the final result, and therefore deserve our thanks. Nor should we forget the Minister of Railways and Canals (Mr. Dunning), whose sound advice I have no doubt was very often of great use to the head of the railway system. Again, I say, if the Canadian National railway system is a liability to the country financially, the responsibility must be shouldered by the Conservative or Unionist administration of 1919, for the reasons that I have already set forth. I am glad to say that under the present administration the national railway system is in better shape than it ever was under the Conservative regime.

It is true that parliament has endorsed the liabilities of the Canadian National Railways, and as endorsers we are entitled to know everything about the business they carry on. If, as a representative of the people, I wish to get information from any Canadian National official on any question affecting the railways, I am entitled, I submit, to a decent and a true answer. I am in the same position as a man who endorses a note for another; he is entitled to a statement of that man's business. It is exactly the same with us, not as private individuals but as members of parliament and representatives of the Canadian people. When we go to Sir Henry Thornton or to any manager or superintendent of the Canadian National Railways, we have, I repeat, a right to expect a decent and a true answer. These people should not entertain the idea at any time that they are the kings and the rulers of the world. On many occasions I have remarked to the people in my constituency that I consider myself their servant. If, therefore, I am a servant of the people, the officials of the Canadian National Railways are servants to the servants of the people. This is my understanding of their relationship to the members of this house. Whatever may be the salary of any of these gentlemen—if his salary is higher than that of any other public servant it is because probably his responsibility is greater—an official of the Canadian National Railways must ever bear in mind that he is responsible to the representatives of the people and that it is due to them that he shall give correct information when it is asked for.

We have to consider several things in relation to the Canadian National Railways. We must consider, first, the passenger traffic, secondly, freight traffic, which is more remunerative, and thirdly, the officials and employees of the system, who are all servants of the public and who have their share of credit when the right side of the wheel turns up. In my constituency there are several hundred railway employees, as is well known to my hon. friend the Minister of Justice (Mr. Lapointe) who practised law for twenty years in my home town. And need I say, incidentally, that the minister was a most brilliant lawyer, whose memory is far from being forgotten. The young men begin to work as apprentices; they start out to learn certain trades as machinists, carmen, and so forth. They want to earn enough money in their lifetime to be able to bring up their children decently and to take care of themselves and their dependents in a suitable manner. This is a very natural and praiseworthy object, because every man who is a hard worker deserves credit, in whatever walk of life he may be. It is very sad sometimes, Mr. Speaker, to see men who are willing and able to work go to their shop in the morning and find that there is no longer anything for them to do. They are met with the abrupt intimation, "There is no more work for you; you are laid aside". Sometimes we see some of the old employees being superannuated, or being turned out when ill, and when they die, they are not replaced; too often no employment is given to those who are ready to take it. What is the explanation of this? The answer is that instead of repairing old cars and old engines which could be easily repaired, the authorities discard them; they consign them to the engine and car graveyard and buy new ones. Thus they add to the capital stock of the company while, for the sake of repairs, they allow the old engines and cars to be sold, very often for scrap iron. It seems to me that we should take every means possible to give employment to those people who are anxious to work, and this suggestion will, I hope, give some food for thought to every serious minded citizen of this country.

I can tell this house that quite often I write to the officials of the railways, not personally but as a representative of the people, and when I do so I receive an answer, polite enough, but very seldom affirmative. It is rather dilatory. I am told, "We will see about it; be sure, we will look into the matter. Don't be mistaken, we will look after your people". But in the meantime our people are out of work. I do not ask for any of my constituents that they be given salaries of one hundred thousand dollars a year; I plead for them only enough to live on. All I ask is that they be given work for which they will be reasonably compensated. Nor am I asking that new appointments be made at the present time; I simply request that every old employee be reinstated and be given the work which he formerly did. The railway should do this, not because I ask it, but because in my opinion it would benefit the country to have our rolling stock repaired at the proper time. This would result in a saving of money to the country and it would obviate the necessity for purchasing new engines and cars, which, needless to say, are very expensive. When I go to officials I find that they cannot give us what we ask for; sometimes, perhaps, we may ask too much. Suppose I go to Mr. Appleton or to any other manager and say, "Sir, we want information on three different points". Well, we receive a letter in reply—a letter which amounts to nothing at all. I do not think this is at all satisfactory or fair; I think I have a right to complain. I sit on the Liberal side of the house and I consider myself a good Liberal; but if I were on the opposite side I would complain just the same. I believe that when a member of this house goes to a Canadian National official for information he should be given it. There should be no secret about the business of the Canadian National Railways so far as members of parliament are concerned. Of course, if there is information of a confidential character which cannot be given officially, it might be given privately, and I am sure that members of parliament on either side of the house, if given information on the understanding that it was confidential, would respect that confidence. But, I repeat, members of parliament have a right to be informed of what is going on in connection with our railways. That information should not be refused us, and I defy anyone successfully to contend otherwise. To sum up, Mr. Speaker, I want first to get true and reliable information from any officer of the Canadian National Railways. Then I believe that while the administration at present is very satisfactory, there should be no shadow in the picture and they should do their best to give employment not only to imported gentlemen but also to common people who want to work and who are ready to earn their wages by their toil.

I would like to say just a word about the amendment introduced yesterday by my hon. friend from St. Lawrence-St. George (Mr.

Cahan). He complains that many Canadians are migrating to the United States instead of remaining in this country. One reason for that migration, especially in the province of Quebec, goes a good many years back; the division between forestry and agricultural lands was wrongly made. In some parishes the lands chosen for agriculture had very good soil, but in other parishes instead of setting apart forest reserves they opened the land for agriculture and the soil was hard to cultivate because there were too many stones in it. Succeeding generations have lived in these parishes and I admire those who to-day cultivate the land as their forefathers did; they deserve a great deal of credit for staying on the land. But all have not remained and the mistaken policy in regard to the selection of agricultural and forest land is one of the reasons why people have migrated to the United States. I cannot blame Mr. Taschereau for this wrong division because it took place sixty or seventy years ago, before Mr. Taschereau was born, but that division was wrong and sometimes these people have a very hard time of it on this poor land in some places.

I have very good news for the house, however. During the Conservative and Unionist regimes I passed through the constituency which I now represent and saw many houses with the windows boarded up. When I asked the reason, the usual answer was that the people had gone to Salem or New Bedford or somewhere else in the United States. Now, however, when we pass these houses we find them no longer closed; people are living in them, people who have come back from the United States to the old homesteads. I would like to tell you of one of the finest examples of family devotion it has ever been my pleasure to see. In my constituency there was an old gentleman, a farmer, who was not very rich; he had several sons to bring up and there was a heavy mortgage on his property. One day when he was quite discouraged his two oldest sons said to him, "Do not be discouraged, father; things are going well in the United States, so we will go there and earn money, and you will see what we do with the money." They went to the United States and worked in a cotton factory for two or three years, returning home with enough money to pay off the mortgage. Now their old father is not working any more; they are living with him and working the old homestead, on which there is no longer a heavy mortgage. This has happened in several cases to my knowledge, and I can give many names.

[Mr. Pouliot.]

Then there is another reason why people have gone to the United States. Their friends have come home from the other side, dressed in quite a flashy manner, and have called attention to their nice clothing. They say to those who have stayed home, "You work very hard; you have to get up early in the morning; you work all week and even on Sundays, but we have no such trouble in the United States. Our Sundays are free; we have nothing to do on Saturday afternoons and evenings; we can go to the moving pictures or to the theatres, and we have very pleasant times, which you do not have here." Sometimes these people become curious enough to go to the United States for this reason. Now, however, the news coming back from the United States is not so good; it is even very bad, and in the rural districts of Quebec the people know that the cotton factories where they used to work a few years ago are closed for a great part of the year, and the people who have gone to the United States to make a fortune in that high tariff country are very much disappointed. Sometimes they even have to send home for money with which to return, like the prodigal son. I do not say that everyone who has gone to the United States has returned like the prodigal son, but they regret their absence from this country as much as the prodigal son regretted his sins.

Sir, I enjoyed listening to the speech of my hon. friend from Quebec-Montmorency (Mr. Lavigueur); he is one of the older members of this house and he knows that everyone likes him. May I say that I absolutely share his views with regard to the Civil Service Commission. There are some dignified people connected with the Civil Service Commission, but I find it astonishing that there should be a whole battalion of people there who do nothing but nominate other people for positions. But when we ask, "Who made the nomination for this appointment?" we find that there is something of the Canadian National Railways in the answer, they are protected by the secrecy of office. I do not see any reason for applying this secrecy of office to questions asked by hon. members in that connection. I say we should come back to the old regime instituted by Sir Wilfrid Laurier, under which the Civil Service Commission was simply an examination body. I represent my constituency to the best of my ability; I can make mistakes, but when I make any recommendation to any minister or to the chief of a branch, I make it knowing my responsibility as a member, and make it to the best of my knowledge and ability. I would not

recommend any man of whom I would later be ashamed. As a member of this house it would not be to my interest to set aside public opinion in my constituency by recommending to a minister anyone who is not fit for a particular position. I believe, Mr. Speaker, that the spoils should go to the conquerors. When a party is elected to power I believe it should be able to appoint its own friends to office provided they are competent to fill such positions. In the same manner when the other party wins they should have the right to appoint friends of their own to any vacancy, and we should take our medicine. I have never asked any minister to dismiss any man simply because he had voted against me. I think every person should be free to exercise his franchise but when he works openly in the political field he should be relieved from duty in the public service, because he knows what he is doing and is well aware of what his fate will be if his friends are not elected. As to the Civil Service Commission I think it should be retained as an examining body. That is to say, every one who applies for a position in the government service should come up before that body for examination, and if found to be incompetent should not be appointed. I do not think the commission should remain as a nominating body.

I have just a word to say about the tariff on spirits and I will say it in "black and white." There has been no change in the tariff this year on spirits, but we do not know what may happen next year, and I take this opportunity of bringing certain facts to the attention of the cabinet. We have heard in Quebec very often from the lips of Mr. Taschereau that if liquor is dear in the province it is due to the action of the federal government in imposing a tax of $10 a gallon on spirits. I have not at hand at the moment the newspaper which would establish the correctness of the statement, but everyone in Quebec knows that the statement has been made several times by the premier of the province. I do not understand Mr. Taschereau for holding that view, and I certainly do not concur in it. This tax was imposed several years ago to meet the war time exigencies. Personally I think that liquor should be one of the first things to be taxed, and I think also that Mr. Taschereau who is so friendly with Mr. Ferguson—this is not an insinuation, it is a fact—should copy his example in some respects. If it be true that liquor is expensive because of a tax of $10 per gallon, why is it sold at a cheaper rate in the province of Ontario than in the province of Quebec? The province of Ontario pays the same duty of $10 per gallon and yet is able to sell its liquor more cheaply than Quebec. Let any hon. member compare the price lists of the two provinces and he will satisfy himself on that point.

Mr. LAVIGUEUR: Do you refer to quality or to price?

Mr. POULIOT: I refer to the different prices for the same quality and the same quantity of liquor. Take Two Dagger rum, for example, a twenty-six ounce bottle costs $3.75 in Quebec, whereas the same kind of bottle in Ottawa costs but $2.60, which is a saving of $1.15 to the people who purchase that kind of bottle in this city. Mr. Ferguson must have great skill as a manager to be able to sell spirits at a much cheaper rate than prevails in Quebec although he has to pay the same federal tax. The same difference is to be noted in the case of Baccardi rum, and various brands of Scotch. I do not recommend my hon. friends to buy liquor either in Hull or in Ottawa—I have no desire to make such a recommendation to anyone—but if they wish to establish the accuracy of what I say they are at liberty to procure price lists from both cities and make their own comparison. I am sorry the hon. member for Fort William (Mr. Manion) is not in his seat at present otherwise I would ask him to send a complimentary copy of the Ontario price list for liquors to Mr. Taschereau, and ask him to revise the prices in Quebec accordingly. That might prove to be the first step in the direction of providing cheaper liquor.

I have but a few minutes more to speak and I will take the opportunity of telling hon. members what I think about the question of spirits. In my opinion, it is very wise on the part of this government not to comply with the suggestion of the customs commission to reduce the tax on imported liquors. We have distillers in this country who manufacture liquors openly and in accordance with the law and those distillers should have the advantage over distillers living in other countries. The existing duty will give them some advantage and there is this further necessity: There should not be any reduction in the customs duty for a few years until we have effected a substantial reduction in the national debt. I think, however, that the Minister of Finance should reduce the excise tax somewhat next year. People would not drink any more if this were done, and if, as a result of the reduction in the excise duty, the Canadian distillers were to turn out a better and cheaper product, I believe that would be to the advantage of the community.

Before taking my seat Mr. Speaker, I wish to congratulate very sincerely the Minister of Finance on the wonderful budget he has presented this year. It cannot suit everyone completely, but it suits the great mass of the people and there is no one who has not received certain advantages from it. The income tax reduction is a great thing, not only for private individuals but for big companies. The present prosperity shows that the Liberal administration has been a good servant of the people and that this country has been blessed by having a good government. I hope that in the future we shall have other Robb budgets as good as this last one.

Mr. W. R. FANSHER (Last Mountain): Mr. Speaker, before making a few observations on the budget I wish to congratulate the Minister of Finance (Mr. Robb) on the clear and concise manner in which he addressed the house and also on having been able to bring down a budget with such a favourable balance as he reported. I should be remiss in my duty if I did not at this time also congratulate the Minister of National Revenue (Mr. Euler) because I think it was through his strenuous efforts that the surplus the Minister of Finance was able to report was made possible. Great credit is also due to the Minister of National Revenue for the able manner in which he has reorganized his department and brought it from what might be called the chaotic condition which existed when he was chosen for that position, to a department that is noted for its despatch and efficiency.

Returning to the speech delivered by the Minister of Finance I was struck very forcibly with the first sentence, which I will quote:

> Seldom have the annual statements from leaders of finance and industry throughout Canada so generally reflected such progress and prosperity as that of the year 1927.

I want for a moment or two to analyze this statement from my own point of view and from that of my province in western Canada. True it is that our financial institutions have reported in their annual statements almost unprecedented prosperity, and many corporations have reported similar prosperity. Coming as I do from the agricultural class, a class which has produced forty per cent, and sometimes more, of the wealth of this country, and coming from a constituency that has contributed a great deal towards the wealth so reported, I think I should give this matter more than a casual observation. No mention is made of the prosperity of the farmer or of the prosperity of labour, and without these two great classes we all know that the prosperity reported in the first sentence of the budget speech could not have been brought about.

I want for a moment or two to draw to the attention of this house a fact which, it seems to me, has had considerably more to do with that prosperity than any other single factor that can be mentioned. In the post-war depression, the deflation period as we sometimes call it, the farmers of western Canada were placed with their backs against the wall, and because of that situation they began to look around for ways and means by which they could better their condition. They evolved what is known as the wheat pool. I am not going to argue at length as to the merits or demerits of this particular institution, but I will give the house an idea of the amount it has been able to contribute. An accountant, who has been employed to look into the marketing of wheat and the effect that the pool principle has had in the last three years, has recently come out with the statement that it has increased the net price to the producer by at least 26½ cents a bushel. When you consider the millions of bushels of wheat that are produced in this country and multiply that by 26½ cents of an increased net profit to the producer, you can readily realize the amount of money that the primary producers have had available to stimulate the industrial life of Canada.

I want to take some exception to the fiscal policy as given expression to in the budget and a review of some of the conditions of agriculture in this country would, I think, be quite in order at this time. A very short time ago it was my privilege to drive through one hundred or one hundred and fifty miles of country in western Ontario that I had travelled over when I was a much younger man than I am to-day, and it pained me to see house after house with the boards up at the windows and the stock running in the fine orchards that had borne fruit in times gone by. I began to inquire why this land was not being cultivated. It was rich, very good farming land, in fact western Ontario is called the garden of Canada. The answer invariably was this: It does not pay us to buy machinery, to hire help and to cultivate this land, because the cost of production exceeds our net returns.

A similar condition has existed for some time in western Canada. The wheat pool has helped us materially in getting all the price that the consumer pays less the actual cost of handling, but this does not suffice to remunerate us for the cost of labour and the interest on capital, if we can call it such, used in the endeavours in which we are

engaged on the fair plains of western Canada. Our farms in the west could bear a very much improved condition. Only a small percentage of the homes have modern conveniences; and in passing I might state that this is one of the reasons why the young man leaves the farm, why the son does not wish to follow in his father's footsteps. When he goes to visit his city cousin the latter can put him in much more comfortable circumstances and much more commodious quarters than he could if the visit were returned, and he begins to wonder whether it is worth while to work and toil. The farmer of western Canada produces his crops under a great many disadvantages which are not known to the industrial life of this country. There is frost and hail and drought, and the last calamity that has come upon us is the rust, not to say anything of the weeds that have to be fought each year. When the western farmer is producing his crop under such conditions, I should think hon. members of this house would not ask him to bear a still greater load. The fiscal policy of this country, however, has placed upon agriculture a burden which it cannot possibly escape, and which is almost greater than the agriculturists can bear. In the depression of which I spoke a few moments ago many an agriculturist was crowded over the precipice, and has dropped into oblivion so far as his financial standing is concerned.

I want to speak for a few moments about the income tax. This tax was first brought down as a war measure, in the budget of a few years ago, and because the war debt that accumulated in the four years from 1914 to 1918 is still with us, because the overhead and carrying charges on that debt are so great, I think the income tax should have been maintained at its present level in order that we might meet and reduce as much as possible the carrying charges on that huge debt. There is nothing unjust about the income tax, because the exemptions that are now provided are quite sufficient to enable any man to maintain a standard of living for himself and his family far above that which the average farmer or the average labourer is able to maintain in this day. In fact most labourers and most farmers in this country would be proud to maintain the standard of living that the income tax exemptions permit of, and therefore I say that we should at least maintain this form of taxation in order to meet the carrying charges on our great war debt.

The farmers in this corner of the house have often been twitted by some hon. members, probably not with any particular intent, with not bearing their fair share of the income tax. I looked up the figures for 1927, and I find that the farmers and farmers' companies paid only $273,255, while the total income tax in that year brought in a revenue of $55,571,961. The difference is very noticeable; but in answer to some of the criticisms which have been made against the agrarian group, I would say, and I think that here I speak for all the farmers of Canada, that the farmers of this country would be more than delighted if they were in a position to pay all the income tax that is now collected. True, we produce an enormous amount of wealth, but because of the fiscal policy of this country we are unable to report an income on which we can be assessed. Therefore I say that the income tax should not have been reduced by ten per cent in this budget. The income tax is one of the last taxes that should have been reduced, at least until the war debt has been brought down to very much smaller proportions than at present.

The sales tax has sometimes been classed as a nuisance tax, but as it is now administered the sales tax is much more equitable than it was when foodstuffs and the necessities of life were taxed. The sales tax is now levied only upon luxuries, upon practically what are the non-essentials of life. I think, therefore, that we can well afford to have this tax continue for some considerable time, and I would suggest to the minister, if I may be permitted, that no further reductions be made in this tax for at least a few years to come.

The customs tariff, which has been a political football between parties in the last few years, is again brought to the fore by this budget. It has not been my privilege to go through all the schedules as presented by the Minister of Finance and compare them with the old schedules, therefore I cannot go into detail as much as I should wish. In discussing this question of duties with the proponents of high tariff I have been told that the tariff does not help the manufacturer; that the Canadian manufacturer, if he could get his raw material on the same basis as the United States manufacturer, could manufacture just as cheaply as does the American manufacturer. That I cannot gainsay; I have not the knowledge of that class of our industrial life in Canada to be in a position to dispute it. But this I do know, that it was my privilege some time since to go at length into this matter of production and distribution and to make a few observations

on the subject. I am going to give you an illustration, to be followed by concrete examples.

Not very long ago we had a very interesting discussion in this house on the Chicago drainage canal. We heard from the tariff supporters in this house how that diversion of water was demoralizing shipping, how it was causing the levels of the harbours in the great lakes and down the St. Lawrence as far as Montreal to drop, costing large sums on both sides of the border to those who were responsible for harbour maintenance. I think that is an excellent illustration of just how the customs tariff works as regards the agricultural industry in this country. It is not that the agriculturist does not put forth his best effort to produce. You find him out at four o'clock in the morning and putting in all his time as long as daylight lasts in an endeavour to produce as much as possible, so that he may be able to lay by something for a rainy day and his old age; but the customs tariff places on him such a burden and drains off such a large portion of his revenue that he is unable to create an industry in this country in connection with which he may receive a full return for his labour. In their applications before the tariff advisory board many of the manufacturers applied for an increase of duty on their manufactured product and a reduction of duty on their raw material. Well, it is not possible for the farmer in any way to increase his net return by protection of his products, for the simple reason that he is selling those products on the markets of the world, and he must sell at the prices there set. I repeat, there is no way possible for him to obtain any benefit by means of a customs tariff on what he produces. Therefore all we ask is an even deal and equity of treatment.

The following illustration will be helpful. Most of us know what a balky team is; one horse will pull, then the other will pull, but not pulling together, they will not lift the load. I think it is absolutely necessary for all classes to get together and discuss the tariff in a businesslike way in order to reach some equitable conclusion as to the best way in which these customs duties should be levied. For example, I use on my farm fifteen or eighteen articles of a certain kind, and probably I have to replace from four to six of those every year to maintain my full equipment. These articles are made in various sizes, and I pay from $2.85 to $3.15 for each article according to the size. During the last few years the price has mounted rapidly. One day I had the opportunity of getting in conversation with a manufacturer of this particular article and I asked him if he could tell me what it cost. He gave me the cost price in gross lots, and he also said it would cost about three cents each to deliver the article in carload lots to western Canada. Obviously the freight would not add very materially to the laid-down cost at my home town, provided that the avenues of trade were such as to permit its being laid down there at the least possible cost. I found that the article which I bought for $3.15 cost the manufacturer only $1.37 to make and place on the market. Now, I am inclined to agree with the contention that the manufacturer does not always get the benefit of tariff protection but somewhere in the transmission of this article from the factory to the consumer the price is very materially enhanced. Whoever is instrumental in doing this, whether it be the manufacturer, the middleman or the retailer, the effect is the same on the agriculturist. True, under the tariff this is permissible, and that is why we as an agrarian group representing the farmers in western Canada, and the farmers themselves through all their organizations, have expressed ourselves so strongly against the continuance of this evil.

Let me touch on something else that has happened in western Canada. Some of our implement manufacturers are exporting their product to the United States, and it has been rumoured in the west that Canadian-made implements are being sold cheaper across the line than in Canada. I hold in my hand some evidence, with a copy of an affidavit attached, respecting a particular class of implement called a drill. Most hon. members know that we have to use large drills in western Canada; six- and eight-horse machinery is our usual unit out there. This evidence shows that one of our farm group went over into Dakota to ascertain what these drills cost there. On a certain farm he found a drill marked in twenty odd places, "made in Hamilton," or "made in Canada." The box, the tongue, the frames, and many of the parts that went to make up this particular machine were so marked. The price to a Canadian farmer, had he bought his drill in Dakota and shipped it across the line, would have been $325; but buying the same type and make of drill from a dealer in any of our towns adjacent to the border the price to the Canadian consumer was $355. So the Canadian farmer could go across to a dealer in the United States, buy a Canadian-made drill there, bring it back to Canada, pay the duty, and save $30 on the transaction. Now, what

item of the tariff is being brought into play and is discriminating against the Canadian farmer? Is it what we know as 47a, or wherein is the tariff administered to permit such a condition of affairs? It is inconceivable that the factory in Canada could sell an article in the United States any cheaper than the price at which it could be sold to the farmer here. That is one of the evils that we are trying to overcome; that is part of the load that we are trying to get rid of.

Mr. YOUNG (Weyburn): Have you any idea how many drills of Canadian make were sent into the United States last year?

Mr. FANSHER (Last Mountain): That would be a very difficult question to answer. A person would have to communicate with the customs authorities in the United States or with the implement manufacturers in this country, and I do not think the latter would be willing to give the information.

Mr. YOUNG (Weyburn): I think twenty-six is the number.

Mr. FANSHER (Last Mountain): What is the point in saying that only twenty-six were sent into the United States last year?

Mr. YOUNG (Weyburn): That is the figure shown in the trade returns.

Mr. FANSHER (Last Mountain): I fail to see how that affects the argument in any way whatever. Here are the facts of the case, sworn to by responsible men. We are suffering to that extent, and whether it is by reason of the manipulation of the tariff, or the cost of transportation, or some other factor, whatever it may be, we know we are being discriminated against. I repeat, it is from that condition we wish to free ourselves.

I have in my hand a copy of the resolution which was moved by the Hon. George Langley at the Liberal convention held in this city in the autumn of 1919. Mr. Langley is known to most of us in this house, and if I were to give him an appropriate name I should call him "the grand old man from Saskatchewan". He spent a great part of his life in that province, trying to do all he could for the farmers of western Canada, and he has a great many achievements to his credit. Reading over his speech when he moved this resolution, I can imagaine with what gusto he entered into it; and the brogue, which we all so like to hear, no doubt attracted and captivated his audience. I think due credit is coming to him for the courage he displayed in putting forth and standing by the resolution which I am about to read, a resolution which I may say, by the way, was seconded by a gentleman from New Brunswick. I believe it was the same hon. gentleman who now occupies the position of Postmaster General (Mr. Veniot). I wonder whether that gentleman will recognize these words:

> That the best interests of Canada demand that substantial reductions of the burdens of customs taxation be made with a view to the accomplishing of two purposes of the highest importance. First, diminishing the high cost of living which presses so severely on the masses of the people, second, reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country .
>
> That to these ends, wheat, wheat flour and all products of wheat; the principal articles of food; farm implements and machinery; farm tractors; mining, flour and sawmill machinery and repair parts thereof; roughly and partly dressed lumber; gasoline, illuminating, lubricating and fuel oils, nets, net twines and fishermen's equipments; cements and fertilizers, should be free from customs duties, as well as the raw material entering into the same.
>
> That a revision downward of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption other than luxuries as well as on the raw material entering into the manufacture of the same.
>
> That the British preference be increased to fifty per cent of the general tariff.
>
> And the Liberal party hereby pledges itself to implement by legislation the provisions of this resolution when returned to power.

I want to review the situation so that we may see where we are drifting. So far as I have been able to ascertain from the closest scrutiny of the budget, particularly as it affects the customs tariff, there is practically no reduction that will benefit the great mass of consumers and the producers of this country. The cost of living will not be materially reduced. In the election of 1926 western Canada responded amiably to the sentiment that was expressed by those who were propounding the Liberal platform, and in this response they showed to the people at large and to the Liberal party that they were once more going to take these gentlemen at their word. The result was that only one representative who might be called a high tariff advocate was returned from western Canada. We were told during the election of 1926 that if the Liberal party were returned to power the 1919 platform would be implemented. We were also given this assurance in the fall of 1921. The Progressives, or the agrarian group in western Canada and also in Ontario, stood for this platform on the plea which was made to the electors, especially the farmers. This group had suffered considerably at the election in

1925, and the agriculturists were interested in the platform I have quoted. Now we have had two sessions, two budgets have been brought down, and very little change has taken place.

I was very much interested in the question which the hon. member for Marquette (Mr. Glen) asked the Minister of Finance during the debate last year, and my confidence did not increase when the Minister of Railways (Mr. Dunning) gave the answer. I have been wondering what we are going to do. We have given an expression of opinion and we are doing what we can from this corner of the house to bring about or to make effective these promises which were given us. But I wonder what we shall have to take back with us when each of us from Saskatchewan returns as just one of the boys back home. What shall we tell them? What shall we have to carry home to them? Shall we be able to tell the people back home that there has been a reduction in the cost of the necessaries of life as well as of the implements of production? What will hon. gentlemen from Manitoba be able to tell their constituents when they return? Will they be able to say that they have assisted very materially in reducing the cost of living and lightening the burden which now bears both on labour and on the agricultural class? Hon. gentlemen from Manitoba are the doorkeepers, as it were, of western Canada. Are they going to assist us, or are they going to be instrumental in opening the doors to further burdens and to the laying of greater stress and strain on the agricultural industry? I hope not.

I recall an article I read not so long ago in regard to some of the discoveries which science is making. This article declares that a ship may be constructed and put out to sea without a single human being on board, being guided for miles by an electrical apparatus operated on the shore. As I thought of this article a few moments ago, it struck me very forcibly and I wondered what impediment was being placed in the way of the government to hinder them from implementing this promise. I wondered whether it was the dynamic, which we hear of so frequently, of St. James street, that was directing the ship of state and keeping it in its present course. I hope that in the near future this budget schedule will be clarified so that we may better understand it, and that after all it will show that there is to be some alleviation of the burdens of which I have been speaking. Otherwise, if there is going to be no relief in this direction, I am afraid that a few lines which I learned long years ago will be very apt. They will apply possibly to many of us from western Canada when we again appeal to our electors, and the last line of all will probably be the most applicable. In giving a description of the fall of the great nation of Greece, Byron said:

> The isles of Greece! the isles of Greece!
> Where burning Sappho loved and sung,
> Where grew the arts of war and peace,
> Where Delos rose, and Phoebus sprung!
> Eternal summer gilds them yet,
> But all, except their sun, is set.

Will that be applicable to those who are responsible for this most momentous resolution which I read, but who are afraid to implement that resolution in their legislative program? In closing I would appeal to the Minister of Finance to have that courage of which we heard in this house a few days ago. I sincerely hope that he will give us, in this schedule which has been placed on Hansard, encouragement to look forward to some alleviation of the great burden of which I have been speaking.

There is one other matter which I should like to bring to the attention of the house, and that is the point of view of at least some of us in western Canada, certainly of those whom I represent here. I think I could not better describe it than in the following words, which I took from page 25 of the 1925-26 Canadian Annual Review:

> The absorption of the Progressives by the Liberal party, whether in or out of office and under whatever guise effected, would postpone for a generation the attainment of necessary reforms, the re-shaping of national policies and the infusion into Canadian public life of that moral courage and idealism which slavish partisanship has well nigh destroyed.

I am asked whose words I am quoting. These are the words of the present Minister of Immigration (Mr. Forke).

Mr. DEPUTY SPEAKER: I am sorry, but I must tell my hon. friend that his time is up.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, I do not want to show a lack of ordinary Christian charity towards the government who prepared this budget, but I fail to see in that budget any policy outlined

that will solve the economic ills which confront this country to-day. Whether it be the province of British Columbia, or the prairie provinces, or central Canada, or the maritime provinces, nothing is suggested for the alleviation of the economic troubles from which they are suffering, but there is a little tariff nibbling here and a little nibbling there, and over eleven pages of just such announcements, a heterogeneous mass of tariff items with many whereases and provisos, none of which will have any effect in relieving the country from its present economic ills.

The government proposes to do nothing to solve the problem of unemployment. Not one job by this tariff will they create for a Canadian boy in Canada. No policy is suggested which will have the effect of bringing back our young Canadians who have gone to the United States. Nothing is to be done to induce those Canadians to return to their homes from which they have been driven by the policy of the government, a policy which encourages some of our brightest minds to leave Canada and make their homes in the country to the south. There is not one word in the budget about the preservation of our domestic market, especially for those Canadians who are engaged in the great industries of farming and dairying, nor is there the least sign of any effort to conserve our natural resources and our raw materials.

The budget speech can be divided broadly into three classes: Part one deals with the financial affairs of the country in general. Part two deals with taxation, and with taxation as amended by the budget. Part three consists of eleven pages of tariff nibbling changes in which there is a heterogeneous mass of details, with a little lowering of duties here, and a little lowering of duties there. The object of a budget statement given annually should be to reveal exactly the housekeeping operations of the nation. We find from the budget that the revenue for the last fiscal year was $419,480,000, and there was paid out a total sum of $364,665,000. If this were the sole information to be imparted well and good, but a true budget should reveal the actual operations of the government and its outside commissions for the preceding twelve months, including all their outside obligations. What would you think of a company which presented a balance sheet only of the parent body, ignoring the operations of its subsidiaries although they belonged to the organization and were part and parcel of it? Yet this government ignores their outside obligations altogether. They figure out that they have a surplus or a balance on hand of $54,815,000. Well, if anyone can discover that surplus in the shape of cash in the treasury he will prove to be a greater discoverer than John or Sebastian Cabot, or any of the other early navigators. The budget consists of a partial statement only. The government have not struck a proper or complete balance at all; they have ignored some of the most important obligations of the country. They have ignored the millions of bonds of the Canadian National railways guaranteed by the state. They have written off $16,000,000 in connection with certain soldier settlement lands, which figures if they mean anything at all mean a deficit. They have ignored the $4,000,000 of guaranteed bonds of the Montreal harbour commisison, and the $8,000,000 guaranteed the government merchant marine in connection with the steamship lines to the West Indies.

I have in my hand pages 4 and 5 of the annual report of the Minister of Railways laid on the table at the opening of parliament, which shows that the item of interest due the government, accrued but unpaid, in connection with the Canadian National railways increased by $32,089,853 during the year, and now stands at $193,951,356. Appropriations account, which stood at $453,935,303 at December 31, 1925, now stands at $437,412,032. What would you think of the Ontario government if they prepared a budget statement leaving out all the debt of the hydro-electric commission whose expenditures reach a total investment of $250,000,000 on cheap light, power and transportation? Would you call that a real financial statement? I remember how George Washington Ross, one time premier of the province, went up and down Ontario boasting that he had a cash surplus of $8,000,000. One day at a meeting in Middlesex county I challenged the statement, and Mr. Ross said that if I would come up to the parliament buildings in Queen's park he would show me the surplus in gold and silver in the treasury vaults. I accepted the challenge and went up there. Premier Ross did not show me any surplus but he said "Never mind, Tom; take a cigar." That is the way in which he dealt with the surplus in the olden days. That was the kind of surplus they had at that time. If a proper accounting system were carried out in all the departments of government, and a real financial statement were presented, a huge debt would be revealed about which the country knows nothing at all at the present time. In connection with our railway operations vast sums in the form

of interest and fixed charges have been written off and are not included in the financial statement of the Minister of Finance.

As regards this magnificent budget, the like of which has never been seen before, the government are spending money in Canada like water. When Sir Wilfrid Laurier was Prime Minister in 1896 the then administration could get along with about $36,000,000. To-day this business-like economical government brings down a budget amounting to $364,000,000 a year. The Minister of Public Works (Mr. Elliott), who cannot find a snow shovel to clean away the snow in front of the parliament buildings, can find half a million dollars for a number of automobiles for the government. Any member of the cabinet who has not a large motor car bought within the past year is not fit to be called a minister. We hear talk about industrial and scientific research, but you cannot find a man with a snow shovel around the parliament buildings. I have never before seen such badly kept streets and sidewalks as there are in this city of Ottawa, the Washington of the north, in winter. It is time the government bought a few snow shovels instead of spending millions of dollars unnecessarily. The Minister of Public Works can get a nice vote for a post office town clock in the town of Glencoe so that he can tell the time on election day in West Middlesex; but when the question is one of cleaning away the snow in front of the parliament buildings it is impossible to get any snow shovels. We are not all hockey players and accustomed to using skates, and although there are some clean skaters on the government side, I would suggest an issue of skates to the members to use in getting to the buildings.

In this great city of Ottawa there is a wonderful give away commission called the Federal District Commission, headed by Hon. Thomas Ahearn, and according to the way they conduct their business they are spending money like water too—they have so much to give away to the Americans for nothing. The other day they proposed to give away eleven acres of land at Rockliffe for an American embassy although it is known that an embassy pays no taxes. They are taking a leaf out of the book of the government in the matter of spending money. The government pays no taxes in England on the magnificent edifice in London, Canada House, to house Mr. Larkin, who now has a new uniform, not a second or third-class uniform but a first-class uniform, if you please, because we are no longer a crown colony but a nation. The burden of that taxation has to go on the back of the British taxpayer who has his very bread and other necessaries of life taxed for a fleet to protect our shores while we refuse to pay our taxes in England. As I said, the Federal District Commission, headed by Hon. Thomas Ahearn, proposed the other day to give away eleven acres of land at Rockcliffe for an American embassy. Did anyone ever hear of the Right Hon. Uncle Sam giving away anything for nothing, or giving anything away down at Washington, for Mr. Massey's embassy, for which we had to pay half a million dollars and $120,000 for the maintenance of this magnificent minister in the city of Washington? I never heard of Mr. Ahearn giving away any of his own money in this way but he is ready, through the Federal District Commission, to give away this splendid public site for an American embassy. The government should have a house-cleaning in connection with the Federal District Commission if that is the way they conduct business. If that is the kind of commission it is, ready to give away public property in that way, the sooner the government gets rid of the Federal District Commission the better it will be for the so-called Washington of the north.

In regard to this budget, it seems to be a gamble between the spending branch and the revenue producing branch. The government have removed no taxes from the breakfast table of the workingman. The taxes of the workingman for the necessaries of life are to-day more than they ever were before. The revenues have been greatly increased; but the government still continue to pile on the taxes and nobody can find out exactly what the taxes are, because the revenues and the taxes are spirited away in these secret commissions to the extent of some fifteen or twenty spread over the country from Halifax to Vancouver, spending the public money like water—trustee boards and guarantee government boards not mentioned in the budget. Does the government think this money which is raised by taxing the working people of this country comes down like the dew from heaven so that they can spend money like water in the manner I have indicated?

Last session we had the promise of the government that a conference would be held with the provinces and that something would be done towards abolishing the duplicate system of income taxes. The conference was called. Did they do anything? Nothing but make a football out of the question. On the Pacific coast there is a triple-header income tax, namely: Dominion income tax, provincial income tax and municipal income tax. The proposed reduction of ten per cent will mean nothing to the workingman, but it will mean

a great deal to those whose wealth is in the millions. The list of income tax exemptions is to be increased by allowing an exemption of $500 to those supporting dependents over twenty-one years of age who are incapacitated. In this country there are many who are incapacitated because they have not a job, and on this account some 600,000 have had to go to the United States. Many of them are returned men who fought even unto death the battles of this country, and they are being incapacitated by this particular budget. Talk about the expulsion of the Acadians down by the sea! That was nothing to the expulsion of thousands of former residents of my city who have had to go out of the country to find a job.

This magnificent budget which we have before us to-night contains eleven or twelve pages of tariff changes, a nibbling here and a nibbling there. There is insecurity, uncertainty and instability of the tariff, and nobody knows what to expect next year. Wait until you see what this travelling minstrel show, known as the tariff advisory board, does next year. Their work last year has resulted in eleven or twelve pages of tariff changes. Wait till you see what takes place next year when they have a whole twelve months to go. Woe be it to the maritime provinces when they deal with some of their industries! Woe be it to the industries of the province of Quebec! I do not see my good young friend the hon. member for Temiscouata (Mr. Pouliot) in the house to-night. He always makes a good speech. The other day he made a great speech at the assizes over in Hull so that not only the jury but the judge on the bench shed buckets of tears. If the government had given him a chance on a proper budget subject he would have moved to tears the members on the government benches. When the working classes out of work ask the government of the day for some bread, they are given a stone in the shape of the tariff reductions which are before the house to-day. This budget will be small comfort to the working classes of this country because there is no reduction applicable to the breakfast table at all and the budget will create no new jobs. The necessities of life stand as they were, but the government could find reductions for some of their multi-millionaire friends in the mining industry like the Hollinger mine, and the newspaper industry by allowing press blankets to be brought in free of duty. These are two industries that are well able to pay taxes to help maintain the administration of this country, but they are the people whom the government single out and think of first, last and all the time. These multi-millionaires who can well afford to pay taxes are the ones who are given free trade in press blankets and mining concessions.

The main tariff changes in this magnificent budget with its twelve pages of schedules affect the cotton and woollen industry. I have no doubt that one reason for these twelve pages of tinkering is due to the fact that the government, in anticipation of a general election two or three years hence are making a nice little gesture to the gentlemen on our left in anticipation of a larger vote west of the great lakes.

The budget debate is a time for taking stock, and I wish to refer for two or three minutes to the auditor general's report in regard to the expenditures of this country, because we have an antiquated machinery of parliament. The machinery of parliament as regards control over expenditures differs little from what it was a hundred years ago. A civil war was fought in England in order that parliament might control taxation and expenditure. Taxation is still controlled, but democratic control of the national budget made up of the estimates of the different departments is to-day not in existence.

As regards financing, the present system is ridiculous. It is the very reverse of that adopted by municipalities. Each spending department draws up its estimates for the budget and possibly a spirited battle takes place between the departments and the treasury. There is a battle in the cabinet, and when the budget is approved by the treasury board and the cabinet it is presented to the house. The bureaucracy has increased in numbers and powers and the treasury board has never regained the control it surrendered during the late war. In 1896 the budget was $36,000,000 as compared with $364,000,000 in 1928. If a deadlock is reached over the estimates, they come before the cabinet composed of all the administrative chiefs and the scales are always weighed in the interests of the departments. Finally the budget is approved by the government as a whole and sent to the house, and it is all over as far as parliament is concerned. A few concessions here and there may be wrung from the Minister of Finance, but if he resists, the whole government will unite and stand behind him, because a defeat of the budget means that the government will resign.

Next come the estimates. In theory these have all to be approved by the House of Commons during the parliamentary session. Last year we had from fifteen to twenty

supply days. The minister chooses the estimates to be considered on these days, and some of the most important spending departments never have their estimates considered except for five minutes in the last rush at the close of the session. If a division is challenged, the government treats it as a vote of want of confidence; the whips are used to save the government, and the private members on the government side all line up with the government because if the item is defeated the government will resign. I say that it is a waste of time to consider the estimates under this antiquated system which is one hundred years old. There can be no detailed or useful examination of the estimates on the floor of the house. The estimates of a great many departments never come before parliament at all. The estimates of the Justice department, for instance, have never come before parliament since I have been a member, and the same with the Post Office department, Marine and Fisheries, Customs—and then in the dying hours of the session millions are passed without any discussion.

Our system is different from that of the municipalities under the Municipal Act. In Toronto, for instance, the heads of the departments prepare the estimates, the board of control go over them and strike the tax rate; the city council reviews each item, and there is thus some control by the legislative branch over the executive. Under our system in this house there is none. We have a committee of public accounts, it is true, and the auditor general, but the public accounts committee hardly ever meets, and the auditor general meets you sometimes and hands you a blue book. When the public accounts committee does meet, it is simply a case of holding a post mortem. The public accounts committee might be known as the morgue or coroner's committee. They hold a post morten examination, the subject being anywhere from two to ten years old and in the case of the national railways, from ten to fifteen years old. It is no wonder our taxation is high under the antiquated system we have here.

If parliament is ever to regain any of its old control, our whole financial system must be reorganized, and a new modernized system arranged. There is such a system in vogue in France and in the United States which we might well introduce here. They have estimates committees, of which members of parliament are members. There should be a committee for all the big spending departments in this government and for groups of the smaller spending departments, and the members of parliament who serve on such committees should be looked upon as non-partisan. If necessary they should sit in camera if business of a confidential nature is being disclosed. These committees should cross-examine the heads of departments, as the board of control in a large city does. There should be no voting along parliamentary lines, and the recommendations of the committee need not be looked upon as a reflection upon any particular department or upon the government. These committees would be a godsend for a great many hon. members because it would give them some work to do while they are waiting around in Ottawa for the taking of a vote upon some question or another in this chamber. It would also give them an added responsibility as members of parliament. I have no doubt that resistance would come from the great spending departments and from politicians to any such change, but it is the only way in which we shall ever get reduced expenditure, and the only way in which we can protect the interests of the great mass of the already over-burdened taxpayers.

I complain, Mr. Speaker, that Ontario and Quebec do not get sufficient recognition at Ottawa, although they contribute about eighty per cent of the cash taxes of Canada. The parliamentary system which destroyed the autocratic power of the monarchy and curbed the privileges of the second chamber has been a failure. To-day we have no government by the people, of the people, and for the people, and there cannot be any such thing so long as we retain a parliamentary system that is one hundred years old with little or no control over expenditure. That system has not justified its existence, because under it parliament does not exercise proper control over the government of the day, with the result that we have increased expenditures all along the line. We already have a special committee to consider the estimates of the Canadian National Railways, and instead of that committee holding five or six meetings, it should hold twenty or thirty. The same principle that we have adopted in connection with the railway estimates should be applied to the estimates of all the other departments, including the national railways, and then I venture to say we should get some relief.

With regard to the tariff changes, in my opinion this heterogeneous mass of changes proposed by the minister is going to do the industrial provinces untold harm. My friends, the Progressives, are protectionists so far as their own affairs in the prairie provinces are concerned; they are free traders only

when the industries of central Canada are affected. In my opinion a proper application of the doctrine of protection would solve all the economic ills that we have to-day. Protection is not a dead but a living thing. It will protect the manufacturer, the farmer, the artisan and the toiler; it will solve unemployment and make for a happy and prosperous and contented people. It would help the consumer as well, because no measure of protection should be adopted which ignores the consumer. I support protection as a principle, and not as a privilege to the few. Under a proper protective policy the automobile industry and some ten other native industries would become key industries in this country, employing tens of thousands of Canadians now exiled and driven to the United States.

The immigration question is wrapped up and correlated to the tariff. They are interwoven; one could not exist without the other. The first cornerstone of any immigration policy is to keep the population we already have at the present time, and the second is to adopt an all-Canadian all-British tariff, and encourage British immigration. Some of the manufacturers were the worst foes of a protective tariff in wanting all for themselves. Right Hon. Stanley Baldwin and Premier Bruce of Australia were reciprocal protectionists. In my opinion the tariff board is nothing but a travelling minstrel show. Nero never fiddled while Rome burned the way this government is fiddling with the main economic question in this country by appointing a tariff board to make a political football of our major economic question—the tariff. I say, with no disrespect for the members of the tariff board, because they are a good lot of men, that if they would only go into the theatrical business or into the movies they would make their fortunes. If they would blacken up their faces, they would make the greatest minstrel show that ever took the road.

The tariff, Mr. Speaker, will always be in politics, thank goodness for that, because dear knows where the working class would be if it were not for the tariff being in politics for keeps. The tariff board has cost this country over a hundred thousand dollars, and they have produced nothing but talk. It has been one of the most mischievous bodies in this country for breaking down our industrial existence. It is just digging up material for the free traders. The tariff board to-day, in my opinion, is composed of nothing but a lot of spade and shovel men who are digging up a lot of facts about free trade for the government to destroy protection and trying to foist free trade on the people. The farmers of this country do not believe in the policy of free trade, and yet the government are going to destroy every industry in Ontario and Quebec before they get through with this Yankee fad, the tariff board. There is not one word in the budget about the conservation of raw materials, the dumping of cheap, shoddy, European, German and American goods, neither is there one word about some form of social legislation or about sick and unemployment insurance for the masses of this country. This government have millions of dollars for the millionaire miner, for the millionaire manufacturer, for the millionaire newspaper publisher in the form of reduced taxation and tariff reductions, but they have not struck a cent off the taxes of the working classes or off the breakfast table of the masses.

The whole gesture in this budget speech is nothing but the first volume of reciprocity with the people of the United States. Canada does not want reciprocity if it could get it and could not get it if it wanted it. We want to be on friendly terms with our American cousins, but we should tell them at once, "If you want to do business with us you must do it on fair, just and equitable grounds, or not at all." Canada must stop buying 600 million dollars' worth of high class American goods—nearly all of which could be made in Canada—and paying for them in our raw materials which are fast vanishing. In my opinion what this country wants is a national policy and adequate safeguarding legislation in relation to: (a) its raw materials; (b) its coal and other fuels; (c) its water-powers; (d) patents and trade marks; (e) dumping of foreign goods; (f) scientific research; (g) export of hard wheat to the United States; (h) timber and minerals; and (i) domestic and empire marketing. This would conserve our resources, build up the country and protect it from unfair and unreasonable competition, preserve our own markets for our own products, and our own work for our own workmen, and so stop the exodus to the United States and solve unemployment. Such a national policy is both a social and an economic necessity; it is in the best interests and welfare of Canada and the conservation of our resources.

Away back in '49 Horace Greeley's advice to the young men of his country—and, remember, that was when they started protection in the United States—was: "Go west, young man." To-day this government with its free trade gesture is in effect telling our youth: "Go south, young man." And the

pity is that our young men are going south in thousands because of these tariff changes. The tariff changes, in my opinion, are anti-Canadian and of not the slightest help towards preferential trade or the safeguarding of our industrial growth. No effort is made to solve the problems of either domestic or empire marketing, or to take advantage of the great economic work done by the empire marketing board in the old country or legislation for the relief of our own dairying, fruit and agricultural industries. The budget contains no relief for unemployment. The tariff changes leave undone the things that ought to have been done and does those things that ought not to have been done. The place for this budget is the cupboard of old Mother Hubbard. There is no bone, let alone meat, in it. The unemployed cry for bread, and the government give them a stone. The modern old Mother Hubbard policy of the government has emptied the cupboard for the benefit of the Americans, so that our young men will be exiled and expelled from their own country—many of them returned men who fought even unto death for Canada. They are driven forth to search for work in a foreign land by the Honourable Billy Moore tariff board, and such a policy will make Canadians hewers of wood and drawers of water for the people of the United States.

There are jokers also in the budget. There must be some jokers in it of an economic free trade style if Mr. Moore has anything to do with it. The budget is simply a shell-out of our markets to our competitors. As an indication of this look at the reception Mr. Moore gave the fruit growers of British Columbia. He lectured them and told them to go away back home for presuming to come to Ottawa to ask for protection for the fruit industry. They had some little protection under the provincial government, but they could get no help from the tariff board. Mr. Moore might just as well have told them that his board existed to do spade and shovel work for lowering the duties on Canadian products and fruit to satisfy the Progressives, and to dig up ammunition for the rest of the free traders in this country. What is the result? Why, the farms and orchards of this country and the dairy industry are not what they used to be; these industries are withering.

The industries of this country are at the parting of the ways. Whither are we drifting in connection with a bona fide economic policy for this country—such a policy as was laid down in 1878? The tariff board and government are like a ship without a rudder, basking on the free trade shores. When they put out to sea they do not know where they are bound for or where this free trade policy is going to land them. No doubt the question of a national economic policy will be referred back to the committee of the first part, Billy Moore and his associates, while our returned men are, like the Acadians, driven into exile. The expulsion of the Acadians was nothing to the expulsion of 600,000 Canadians by this tariff policy.

May I say, Mr. Speaker, that in my view the economic problems of this country have been allowed to shift for themselves. The budget is not the only specimen of free trade that has come from this government. Hardly a week passes but some new free trade treaty is negotiated with some small foreign country on a preferred basis. To-day there is hardly a country in the world with whom we have not made a trade agreement involving the surrender of our markets. In fact the only two countries that I can call to mind with whom we have no trade treaties are Patagonia and Bogota. Let us have free trade and nothing but free trade, seems to be the policy of the government with all countries on the seven seas. Does the budget put money in the pockets of any Canadian working men? Not that I know of. I think there will be less work and less pay envelopes in the pockets of the working classes as a result of this budget. The tariff board is nothing but a travelling minstrel show and mock debating society. The government have fiddled with the question of this main national economic policy and done nothing. A burlesque consumers' league of one man, self-appointed, has acted as one of the chief performers in this burlesque. For the appointment of a tariff board to handle the economic affairs of this country is nothing short of a burlesque. With a little nibble here and another little nibble there at the tariff, does any business man know where he is going to wind up and who will be the next to be attacked?

This Liberal budget holds out no hope of expansion in Canadian industry. It is death to any such hope. The expansion of Canadian industry is sentenced to death and immediate execution in the terms of the budget, and is then let out on suspended sentence. Canadian industry is at the parting of the ways; it cannot expand under tariff uncertainties and the destructive actions of the tariff board. Under Mr. Moore and his associates they have all become professors in the great art of chiropody of the Cobdenist school; Canadian industry certainly will not expand under these conditions—in fact it is doubtful whether it will live. By the time they have got through with it, before the next

election there will be no industries left in Canada. And now we have the celebrated head of the Canadian National Railways Sir Henry Thornton, giving us a new gold cure for immigration; he wants to increase freight rates 10 to 20 millions for immigration—to a degree so prohibitive as to make it impossible for any industry to exist in Canada on the high freight rates. No labour would be engaged in industry here if his proposals were adopted and the plain English of it is Sir Henry talked rot and nonsense. The first essential to any successful immigration policy, Mr. Speaker, and the corner stone of it, is the providing of adequate jobs and employment for those who are here now and who come into the country. Immigration is necessarily wrapped up in the tariff policy of this country; the tariff and immigration are interwoven and correlated, because there can be no real success in any efforts to bring immigrants into the country unless we provide jobs for those who are already here and those to come. The tariff is the key to immigration within the empire. Let us give employment to the people who are now in Canada and stop the exodus to the United States through a proper all-Canadian tariff.

I have seen numerous advertisements in the newspapers of the old country inviting men from England and Wales to come out to Canada. One Canadian National advertisement in Wales declares, "Forty-five hundred men wanted in Canada." I have seen in the News of the World an advertisement signed by the Canadian National Railways offering inducements to these 4,500 people to leave home in order to take up work in Canada. Fares are guaranteed, and alluring prospects are held out. It seems to me that the railway and immigration agents in the old land should be restrained in their efforts to send people out to Canada under false pretences. I have here a whole list of advertisements published in the old country, in England and Wales, by immigration and railway agents, all to the same effect, and I trust that the committee on immigration and colonization will look into this matter and see to it that intending immigrants are not deceived in this way. So far as work goes, I do not think that unemployment was ever as bad as it is to-day. The Alien Labour act seems to have been suspended altogether, with the result that hundreds upon hundreds of people are coming in to oust native Canadians from their employment. As the session goes on I may have another opportunity to discuss some aspects of our economic problems; but before I close I am bound to say that so far as I can see the government has done absolutely nothing, in the budget it has brought down, to solve the many economic problems which now face us as a people from coast to coast.

Mr. W. K. BALDWIN (Stanstead): So far, the present session of parliament has resolved itself into what I think one may describe as a fellowship meeting. There has been no cross-firing such as would give one, if I may use the expression, pep and energy for assault. However, we have just had an onslaught from the popular member who has just taken his seat (Mr. Church), and who I must say has always shown himself, if a hard hitter, at least a fair and square one; he hits those on his own side of the house just as vigorously as he does those on this side. As regards his references to this antiquated government, I would ask him whether he believes in the Mussolini form of administration, or whether he thinks we should reconstitute our administrative machinery to run this country.

We have just had the fifth budget from the present Minister of Finance (Mr. Robb) and throughout the length and breadth of Canada the people are paying tribute to the hon. gentleman's outstanding ability and the success he has had in putting the finances of Canada on such a satisfactory basis. If we go back in our history a few years we shall see to what an extent the revenues of the country were squandered largely in the mismanagement of our railways. We all remember, I am sure, those dark days when there were whisperings of death, and these wailings have done more to drive people from Canada than anything else that has ever been done in this country.

It is with no little pleasure that I gathered from the speeches delivered throughout the country by the leader of the opposition (Mr. Bennett) before the meeting of parliament that this government, in its administration of the country's affairs, should in his view be allowed to operate without undue antagonism; and I believe that this principle has been well observed throughout the session. There has been no unnecessary finding of fault with the government. When a budget such as that now under consideration could be brought down within so short a time from the opening of parliament, it is not to be wondered at that there is peace and prosperity in the country and that business generally is stable.

The hon. member who preceded me spoke about the lavish expenditure of the country's money. There is absolutely no ground for such a statement; I know that the government is not spending money with too free a hand. If I want money for a

wharf or a post office or for the painting of a public building and I apply to the ministers they say, "We cannot raise the money. We must economize." We all believe in the Minister of Finance and we are confident that he will keep a firm grip on the purse strings. The extent to which he has reduced taxation in Canada and has been paying off the public debt is a matter for wonder and admiration. I regret, I am bound to say, that the Minister of National Defence (Mr. Ralston) has been allowed more money than I should like to see appropriated to his department, but we all know that the hon. gentleman is not a warrior at heart, and I have no doubt that the expenditures of his department will be directed more towards aviation than militarism.

We must be progressive in this country, which has amazing possibilities. Let us instil into the minds of our young people, our boys and girls, a proper appreciation of the greatness of this Dominion, and let us never forget that we are part and parcel of the British Empire, this wonderful commonwealth of nations embracing almost one quarter of the population of the earth and covering nearly a quarter of its surface. It seems to me that the Canadian people are losing their enthusiasm. It seems to me that patriotism and love of country, which should be drilled into our children, is being forgotten. However, let us remember that many of those who have gone to the United States would like to come back, if they only had the means with which to get back. Within the last few months I have had occasion to be in New York city several times, and I have seen hundreds of people who have gone from Canada to that city, many of them dejected and out of work, and the few who have made good admit that with the same hard work in Canada they would have done just as well. I want the people to remember that we must work and economize as we did during the war if we are to develop our great resources; let us work and strive and live frugally, and in that way we will more quickly bring about that development which we all desire. Let us live here as they did in the United States after the great civil war, when they were burdened with a huge debt. The officers went back to their homes in their faded blue uniforms, with no brass bands to greet them and no proclamations to receive them, but they went back to their affairs and started to work and economize, with the result that the United States has developed into one of the greatest and richest countries in the world. Within the last five years, through good administration, we have been paying off our national debt and reducing taxation, and if we continue in this way we shall get on solid footing in short order.

There are a few things in the budget with which I differ; I would have eliminated the sales tax. It is laborious work making out five copies of those papers, which must be done whether or not anything is sold. Then the customs officials throughout the country do a little more work and demand a little more salary, and I believe it takes hundreds of clerks to audit all the papers and work everything out, because if a mistake is made the papers will be returned to remind you that you owe a few cents more than you thought. In addition to this, there are many ways of evading that tax. We will say there are manufacturers in Montreal who make clothing; not those firms advertising themselves as wholesalers, who send out travellers and carry on a regular trade, but those other men who do a large volume of business in the aggregate, and who sell their goods more cheaply than the legitimate firms. If you buy goods from these men you pay cash and get delivery, but you cannot get an invoice, and in that way they evade the sales tax. There is another objection to the sales tax with which we who live near the border are well acquainted. If you build a house just across the line there is no sales tax to be paid, while if you build a house on our side of the line you must pay the sales tax. I would suggest that the stamp tax be increased in some way which would bring an amount equal to the sales tax revenue, and we would then be sure that every penny went into the treasury. There would also be much less trouble, because after buying stamps all that is necessary is to affix them.

This country has a wonderful future. The West Indies have always been dear to my heart. In this climate we have no tropical or semi-tropical products, and I have always believed that we should have political union with the West Indies, if that could be made agreeable to Great Britain and to those islands. How they would be represented in this country I do not know, but the idea is well worthy of consideration. Then we have Newfoundland just off our coast, a country with no great future if standing alone. Newfoundland should be brought into this Dominion, as was very nearly the case at one time, when for a paltry $8,000,000 the proposition was refused. That was a foolish move, because every dollar of that $8,000,000 would have been spent either in Newfoundland or in Canada, and would have done an immense amount of good. The size of the

United States has been almost doubled even within my memory by small wars and by diplomacy, together with the expenditure of a few dollars here and there, until now there is nothing left for Canada on this continent north of Mexico. We need the best efforts of the leading men in Canada, working together, to round out this great country.

Another thought which is worthy of consideration is a preferential tariff within the commonwealth of British nations, which would bring them altogether to supply the needs of each separate part. I do not know whether or not this could be worked out, but it is a wonderful theory. If one-quarter of the people in the world and one-quarter of the existing resources could be brought together under a preferential tariff I am sure the country to our south would be at a great disadvantage as compared with Canada. That is a thought which everyone should consider carefully. There is nothing more wonderful for a Canadian than to remember that he is a British subject, belonging to the British empire.

Another subject which I have mentioned in this house previously, but which I feel justified in bringing up again, is the Hudson Bay railway. I maintain that no part of this great country can prosper without that prosperity being reflected in every other part. I represent a great manufacturing community, but I do not care whether improvements be made in British Columbia, Saskatchewan, Alberta, Manitoba or the Yukon, I feel sure that the benefit will be felt all over Canada.

Then there is the question of the deepening of the St. Lawrence and the development of power. I am proud of the government because of the prudent and careful manner in which they have acted in this matter. The diversion of water by Chicago is something which I think should not continue. Can we afford to expend millions and millions of dollars to deepen our great waterways when the city of Chicago is diverting water not only for drainage purposes but to establish a new waterway to the south and to develop idle electric energy? We cannot possibly do it, and I am glad that the government are prudent and are pursuing a policy of watching and waiting.

As regards the export of power to the United States, we can never afford to allow that. It must be remembered that once contracts are entered into they cannot be very easily terminated. My advice is to develop our own water-powers for our own purposes, and not allow the exportation of Canadian power to build up towns and cities in the United States.

We are making progress in this country, but if there is any member of the government with whom I sympathize it is the Minister of Immigration and Colonization (Mr. Forke). He has a great problem before him, and we should give him our united support in trying to solve it. I would allow everybody who is law abiding and willing to work to come to this country. That may be a somewhat extreme statement to make, but I have seen immigration pouring into the United States through the city of New York, and other ports, when they were entering at the rate of a million a year. The sole belongings of some of those immigrants were contained in a little tin box and a handkerchief, but they were people of great energy and physical vigour. They have helped to develop the resources of the country to the south, they have aided in building highways even to the very mountain tops, they have assisted in reclaiming the desert and making it blossom like the rose, and they have played their part in recovering ocean lands along the Atlantic in the same way as they have done by the building of dykes in Holland. I am not afraid of labouring men. If we are to have only hand picked immigrants I cannot understand how we are to handle those waste lands which are awaiting development in various parts of this Dominion.

A railway to Hudson bay is now under construction, and I hope that railway will meet with all the success which its friends anticipate. I recall that last year, when the St. Lawrence was frozen over, Hudson straits were still open to navigation, showing that all that was said during the debate in this house last session was not so far-fetched after all. It was said that the straits are open for about nine months of the year. It may well be that when the railway is in operation and the transportation of grain under way the new route will warrant the optimism which its friends entertain in regard to it. The construction of the Hudson Bay railway will be an important factor in developing the natural resources of the country through which it passes. The great results at the Flin Flon mines is an illustration of what we may look for in connection with mining development in that part of the country. We cannot achieve development without the expenditure of money. Wherever there are resources to be developed we must be prepared to put our hands into our pockets. The Peace River district is a most wonderful country. It is almost an empire in itself, and when opened up will make a tremendous addition to Canada's wealth.

There is no occasion for being despondent. The future is bright with hope. Compared with the United States we are not so badly off. In the New England states there are thousands of people out of employment. In New York city people are working harder and longer hours than formerly, and there is a movement to reduce salaries. Banks are open at eight o'clock both morning and evening, and the employees have to work like trojans, while in this country we are living under much easier conditions. I would say, however, that too many of our young men are going to the cities and entering brokerage offices. In that connection I would state that just now a flood of circulars is going out from various brokers seeking to find out what worldly possessions you have. They want to ascertain whether you have any spare money. If you have they are prepared to advise you how to invest it. No doubt some of these people are honest enough, but others are seeking to get their hands into your pockets in order to relieve you of your money.

Personally I am a believer in hard work and frugal living. I rise at five thirty in the morning at home and work the whole day. When in New York recently I told them I felt as young as any other man in my community, or for that matter in the whole of Canada. Some of them believed it. Many people here look upon the United States as a land of promise, and believe that goods sell more cheaply there than in this country, but in the case of the chain stores, for instance, they do not sell goods over there any cheaper than similar goods are sold in Canada. The man who has saved money is in a happy position, and he will find it very convenient to be able to utilize the purchasing power of a little spare cash. But nobody will ever reach that stage who pays whatever anybody wants to charge him, and is always getting into debt. I wish every man and every woman in the country would at least avoid spending money until it is actually received, instead of paying what anybody likes to charge and getting into debt for thirty days, so that they remain poor and go about the country with a grouch. But it is the same throughout the world; there are some who know how to look after themselves and others who do not, no matter how much money they get.

I have mentioned Sir Henry Thornton as being the greatest railroad man in the world. He has demonstrated to the world that he has a wonderful grasp of the railway situation in Canada. I mention this because years ago, when there was another leader on the other side of the house, he went so far as to say that Sir Henry Thornton's salary and everything in connection with his administration was a farce, but my opinion is that great credit is due to Sir Henry Thornton for Canada being to-day where she is financially.

Mr. T. M. CAYLEY (South Oxford): Mr. Speaker, this is my first speech in this chamber, and after listening to hon. members who have been addressing the house this evening I could not help envying them their fluency and ease; I wish I possessed those desirable qualities in the same degree.

Canada welcomes another Robb budget. It again brings with it assurances of Canada's important place among the nations of the world and evidences of unsurpassed prosperity. Canada has never before enjoyed a year of such general progress and prosperity as that of 1927, and from the splendid reception the recent budget is receiving throughout this great Dominion it would appear that Canadians are quite content with the sound policies of the King government.

Gradually this government is undoing the lamentable tangles of debt and misadministration handed them when they took over their governmental duties in 1921. Steadily from year to year since that time they have succeeded in lessening the burden of the Canadian taxpayer and at the same time they have improved conditions for all concerned. Expenditures have been carefully administered so as to keep pace with the growing needs of this young Dominion. From March 31, 1924 to March 31, 1927, the public accounts submitted to parliament, and certified to, show a reduction in the net debt of $105,942,498, and for the fiscal year ended March 31, 1927, the reduction amounted to $41,800,000. The refinancing and reduction of the national debt in 1927 results in a saving in interest of $3,607,000 annually. The last Robb budget, according to press reports from day to day, shows that while there may be some minor points of difference, on the whole the people of Canada express themselves as satisfied with the wise administration of the government, and as confident in the Minister of Finance.

Are we prosperous? Canada, as I have already pointed out, has never enjoyed a year of such progress and prosperity as that of 1927. Production, distribution, manufacturing, transportation and foreign commerce exceeded all previous records. Labour was fully employed at wages higher relatively to the peak than the cost of commodities, this resulting in better living conditions, increased bank deposits, more life insurance written, a greater number of motor cars used, a wonder-

ful sale of radios and a general participation in the luxuries of life. Surely the records of our banking institutions and great transportation companies bear evidence of our decided growth and prosperity. The railways of Canada have never before moved a greater tonnage of merchandise than during the year just closed. While it is true that the net earnings of the railways have been decreased, this decrease was made for the purpost of stimulating business, increasing wages to employees and lessening freight rates. In this way the shipper, the workingman and the consumer were permitted to become greater participants in the prosperity of the great corporations. Surely a policy that takes into account the happiness of all is one that should meet with approval in every part of Canada.

Immigration has not been neglected as some would lead us to believe. The minister of that important department of the public service has shown his policy to be in conformity with the wish of all Canadians, namely, to fill our vacant spaces with those who are physically, morally and mentally acceptable and who are willing to adapt themselves to conditions in Canada, the great essentials being fitness and adaptability. With a country such as we have, leading the world in many respects, with its wonderful resources and mineral wealth not yet touched, with its almost unlimited water-powers, the immigration problem should solve itself if Canadians themselves expressed a greater faith in their own country and greater confidence in its future. If we felt less disposed to advertise our neighbouring republic and more inclined to boast of our own advantages, people would come readily to our shores, capital would pour in to develop our resources, and our 32,000,000 horse-power of electric energy would soon be harnessed. We must, of course, have plenty of immigrants of British origin, people of our own stock, people proud of British institutions and traditions, who believe that as members of the great commonwealth of nations we can work out our own destiny under the British flag and contribute to the peace of the world.

In the discussion on the problem of immigration the government's attention has been directed to the suggestion that some step should be taken to extend to people of our own Dominion who would gladly undertake farming work, as much assistance as is now being offered to outsiders. Thousands of our young people are forced out of rural life to seek employment in the urban centres of Canada, or even in the big cities of the United States, because of lack of sufficient means to meet the initial cost of starting farming operations. We are living under a new order of things, when more capital is required to commence farming than was needed fifty years ago. These are our own people, Canadians by birth, for the most part trained in the rudiments of farming and giving every promise of becoming successful citizens and of making valuable contributions to our Canadian citizenship and our national wealth.

Better care and attention should also be paid to the health and comfort of our citizens. We are annually losing too many children. The mortality rate of children under five years and of mothers is far too great. No doubt the government has considered this very serious drainage in our natural population, but we commend the matter again to his attention.

We also commend the government on the care shown in shaping its policies in such a way as not to injure any one section of the country at the expense of another. The people of South Oxford, whom I have the honour to represent, have always recognized the interdependence between the rural and the urban centres, and one element I am sure would not choose to reap any advantage at the expense or detriment of the other. We believe that the prosperity of each is wrapped up in the prosperity of the other. We are nevertheless of the opinion that greater consideration is due to rural Canada than is at present extended in comparison with the large amounts of public moneys that are annually expended in other directions. We believe that eight million dollars out of an expenditure creeping up towards four hundred million dollars is far too small an amount in view of the value of that great industry of agriculture. There should be no skimping in assisting the agricultural industries of Canada and in applying the forces of scientific research and technical training to that industry; and we are pleased to note that scientific research will this year receive greater consideration by way of an increased appropriation. Let it be urged upon the government that it renew its cooperation with the provinces in assisting technical education and in building up and maintaining national highways.

The jubilee year of 1927 was a testing time as to the unity and solidarity of Canadian sentiment. The test proved highly satisfactory, and showed the existence and possibilities of a national consciousness among our citizens no matter what their race or creed might be. The discords of former times have disappeared, intolerance has given

place to tolerance, and the faith and hope of the confederation fathers of 1867 has been fully realized.

Before concluding, Mr. Speaker, permit me to direct the attention of the government to a class of public servants who feel that they are not receiving compensation commensurate with the services they are rendering; I refer to the rural mail carriers, who in all kinds of weather and over all kinds of roads perform nearly every day of the year their onerous and important duties. In view of the importance of the service rendered by these employees to Canadians in rural districts, and to the outlay for equipment and maintenance in comparison with those in many other branches of the public service, we claim that they are not receiving just consideration.

To the people of Ontario the fuel problem is one of great concern. We are of the opinion that Canadian coal should be distributed to the people of Canada, and that we should eliminate our dependence upon a foreign country for this important commodity and promote the development of Canadian resources and national unity within our own borders.

As to the appointment of a Canadian plenipotentiary at Tokyo, I would say that it is high time that Canada was relieving the motherland of some of those international duties that she may well handle—questions that wholly concern Canada and the orient, and which can best be handled by one thoroughly familiar with Canadian affairs. We note with satisfaction the announcement that Washington is preparing quarters in Ottawa for her representative here, and that these quarters will be commodious and will in no way detract from the attractiveness of this beautiful city.

On motion of Mr. Sanderson the debate was adjourned.

On motion of Mr. Lapointe the house adjourned at 9.25 p.m.

Wednesday, February 22, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 49, to incorporate the Canadian Credit Institute.—Mr. Thorson.

Bill No. 50, to incorporate The United Theological College, Montreal.—Mr. Cahan.

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

REPORTS OF ROYAL COMMISSION AND ACCOUNTANT ORDERED TO BE PRINTED

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move:

That 1,000 copies in English and 400 copies in French of the report of the royal commission appointed to investigate charges of political partisanship in the service of the Department of Soldiers' Civil Re-establishment at Toronto, London and Ottawa be printed forthwith, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move:

That 1,000 copies in English and 400 copies in French of the report of Gordon W. Scott, Esq., chartered accountant, of Montreal, on the activities and "modus operandi" of the Department of Soldiers' Civil Re-establishment be printed forthwith, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PENSION DISBURSEMENTS

Mr. ALLAN:

1. What was the total amount paid for pensions in each of the years 1925, 1926, and 1927?
2. What was the cost of administration of the Pension department in each of the years 1925, 1926, and 1927?

Mr. KING (Kootenay):

1. Net disbursements on account of pensions—

	Fiscal year 1924-25	Fiscal Year 1925-26	Fiscal Year 1926-27
European War	$ 33,630,189 78	$ 35,822,629 11	$ 36,614,989 52
Northwest Rebellion	34,796 36	33,961 34	35,264 16
Fenian Raid	466 25	662 91	
Militia Long Service	695,249 27	697,215 79	743,626 44
Civil Flying	144 05	240 00	240 00
	$ 34,360,845 71	$ 36,554,709 15	$ 37,394,120 12

2. Cost of administration—

Total turnover of Department of S. C. R. and Pensions..	$ 53,713,273 34	$ 55,549,623 38	$ 49,235,358 88
Cost of administration including B.P.C. commissioners and Medical advisers.. ..	2,049,835 40	1,714,442 50	1,546,891 64
Percentage of administration..	3.816	3.086	3.142

The cost of administration includes cost of administering all activities of the department, as work of treatment and pensions, etc., is so inter-related that accurate determination of cost of administering pensions only cannot be made.

REPARATIONS COMMISSION REPORT

Mr. CLARK:

1. When will the investigation of the reparations commissioner be completed and final report made?
2. How many claims have been made?
3. How many claims have been fully investigated?
4. What amount was claimed by all claimants?
5. What amount is represented by claims not yet fully investigated?
6. What amount has the commissioner recommended should be paid in cases in which investigation is complete?
7. How many claims have been paid (a) in full, (b) partially?
8. How much has been paid under 7 (a), and 7 (b), respectively?
9. Has any provision been made for dependents of the civil population who lost their lives as a result of illegal warfare of the enemy?
10. What is nature of provision, if any, referred to in paragraph 9?
11. What amount has been collected by Canada for reparations?
12. What amount is payable to Canada for reparations and how is it payable?

Mr. RINFRET:

1. The investigation has been completed. The report of Commisisoner Friel has been made and is in the hands of the printer.
2. 1615.
3. 1613.
4. $56,039,893.42.
5. Approximately $50,000. (There are two claims, one for $50,000 and the other for an unstated amount.)
6. $4,246,868.76 plus 5 per cent interest on all awards, calculated to March 10, 1928, $2,042,520.59, making a total of $6,289,389.34.
7. Nothing whatever has been paid either in part or in full of any claim whatever.
8. Answered by 7.
9. In case of loss of life, claims were allowed only when on behalf of dependents, and the extent of the dependency was considered in making the awards.
10. Answered by 9.
11. $10,175,071.44.
12. Subject to certain priorities. Canada receives 4.35 per cent of the reparations receipts allotted to the British Empire and payments are made quarterly to Canada by the British treasury. The British Empire's allotment is 22 per cent of the whole. The amount payable depends upon the operation of the Dawes plan, under which the annuity is fixed at 1,750,000,000 gold marks for the year 1927-8 and 2,500,000,000 gold marks for 1928-9 and subsequently.

PROCEDURE

Mr. MANION:

1. When and how were reparation claimants first advised to submit their claims to the government?
2. Who was the first reparation commissioner, what was the date of his appointment and what was the scope of his duties?
3. Who was the second reparation commissioner, what was the date of his appointment and what was the scope of his duties?
4. Who was the third reparation commissioner, what was the date of his appointment and what was the scope of his duties?
5. What procedure was adopted to bring to the commissioner's attention the evidence in each case?
6. Did not the claimants appear personally before the commission and at their own expense try to substantiate their claims?
7. Were not a large number of claimants represented at their own expense by counsel?
8. What article of the treaty deals with reparation?
9. Have not Canadian claimants under other articles of the treaty of Versailles been already compensated?
10. If so, what were the total number of claims and the total amounts paid under and by virtue of such articles, and can any reason be given for such preferential treatment?
11. It is not a fact that the United States of America adopted corresponding provisions dealing with debts, property and reparations in the treaty of Berlin
12. Is it not a fact that American claims for (a) debts, (b) property sequestrated in Germany and (c) reparations are receiving equal consideration, and that no preference is being shown to any one class of claims?
13. Has not legislation been prepared to pay all such American claimants?
14. Have not some of the claimants in other allied countries already received compensation?
15. Has the reparation commissioner's report been printed?
16. When will it be brought before the house for consideration?
17. How much has Canada received to date on account of reparations?
18. Is not a large reparation payment from the British government expected soon and what will the amount be?

Mr. RINFRET:

1. By order in council, P.C. 2822, dated the 15th November, 1918, Thomas Mulvey, Under Secretary of State, was appointed an officer to take such steps as may be necessary to make a complete list of:

(a) Claims of persons residing or carrying on business in Canada who have been subjected to loss and pecuniary damage, arising from the destruction of life and property through the illegal warfare of the enemy, and

(b) Claims for damages to which persons residing or carrying on business in Canada have been subjected for breaches of contracts, which contracts were prevented from being carried out owing to the operation of the statutory list of persons in neutral countries with whom such contracts were declared illegal, and to examine and report upon all such claims as aforesaid.

A notice appeared in the Canada Gazette, dated 30th November, 1918, asking claimants to submit their claims.

2. The Hon. Sir John Douglas Hazen, K.C.M.G., was appointed on the 31st October, 1921, "to be a commissioner to conduct an enquiry under the provisions of part I of the Inquiries Act, Chapter 104 of the revised statutes of Canada, 1906, and to investigate the following claims:

(a) Claims of persons residing or carrying on business in Canada who have been subjected to loss and pecuniary damages arising through the destruction of life and property through the illegal warfare of the enemy, and

(b) Claims for damages to which persons residing or carrying on business in Canada have been subjected for breaches of contracts, which contracts were prevented from being carried out owing to the operation of the statutory list of persons in neutral countries with whom such contracts were declared illegal for the purpose of determining whether they are within the categories set forth in annex I of part VIII (reparation) section I of the treaty of Peace between the Allied and Associated Powers and Germany, signed at Versailles, June 28, 1919, and the fair amounts of such claims and to make such findings as may be of assistance to the government of Canada in determining which, if any, of such claims should be paid and the extent of payment thereof".

3. The Hon. William Pugsley, K.C., LL.D., was appointed on the 13th March, 1923. The duties are set out in the answer to question 2.

4. James Friel, K.C., was appointed on the 19th June, 1925. The duties are set out in the answer to question 2.

[Mr. Manion.]

5. All claimants were called upon to submit by declaration full particulars of their claims and to substantiate such by all documentary evidence in their possession. Subsequently the claimants were notified to appear before the commissioner at various centres nearest to their places of residence in order to give evidence before him upon oath, and to produce such witnesses that may be necessary to substantiate their claims.

6. Yes, but in some cases claimants submitted travelling expense claims, which were paid by the Department of the Secretary of State out of the appropriation for the adjustment of war claims.

7. Yes.

8. Articles 231 to 244, and the annexes thereto.

9. Yes.

10. 1,009 claims were filed of which 686 were paid amounting to $7,849,824.81. Special provisions were made in the treaty for the payment of claims under articles 296 and 297.

11. Yes.

12. Yes.

13. It is understood that a bill for this purpose is now under consideration by the Senate of the United States having been passed by the House of Representatives.

14. No information.

15. It is in the hands of the printer.

16. Under consideration.

17. $10,175,071.44.

18. Subject to certain priorities. Canada receives 4.35 per cent of the reparations receipts allotted to the British Empire and payments are made quarterly to Canada by the British treasury. The British Empire's allotment is 22 per cent of the whole. The amount payable depends upon the operation of the Dawes plan, under which the annuity is fixed at 1,750,000,000 gold marks for the year 1927-8 and 2,500,000,000 gold marks for 1928-9 and subsequently. The payments to which Canada was entitled for amounts paid for reparation prior to the Dawes plan have been received.

UNITED STATES BOATS ON GREAT LAKES

Mr. COWAN:

1. How many grain boats registered in United States were engaged in carrying grain on the great lakes during the seasons of 1926 and 1927?

2. By what authority were such boats allowed to engage in carrying grain?

3. What are the regulations under which boats of a foreign registry are allowed to engage in trade between Canadian ports?

Mr. RINFRET:

1. In so far as boats registered in the United States are concerned, which were engaged in

carrying grain between one Canadian port and another Canadian port on the great lakes —four United States vessels were used for winter storage in Canadian ports during the winter of 1926-27, and carried their cargoes to Canadian ports on the opening of navigation in 1927. As the winter of 1927-28 is not yet over, we can give no information in regard thereto.

2. By authority of order in council of November 5, 1926, P.C. 1721, and November 24, 1926, P.C. 1942.

3. Order in council P.C. 1721 dated 5th November, 1926, and order in council P.C. 2159 dated 9th November, 1927.

LIVERPOOL, N.S. PUBLIC BUILDING EMPLOYEES

Mr. ERNST:

1. Who were the applicants to the Post Office department or to the Civil Service Commission for the position of caretaker or janitor of the public building at Liverpool, Nova Scotia?
2. By what persons or organizations was each applicant recommended?
3. Which applicants were appointed or recommended by the Civil Service Commission?
4. Were any of the applicants recommended rejected by the Post Office department or any other department of the government?
5. Which appointment or recommendation was accepted?
6. Were any of the applicants returned soldiers and in receipt of pensions?
7. Were representations made by any person or persons against the appointment of any such applicant, and, if so, by whom?

Mr. RINFRET:

1. E. R. Corkum, Conquerall Banks, N.S.; H. J. Lake, Liverpool, N.S. C.M. Schupe, Liverpool, N.S.; G. W. Spurr, Liverpool, N.S.; D. F. Winters, Liverpool, N.S.; G. S. Winters, Liverpool, N.S.

Mr. E. R. Corkum was eliminated from the competition as he was not a resident of Liverpool, N.S.

2. H. J. Lake—no recommendations received; C. M. Schupe—J. J. Cameron, Esq., c/o Messrs. Hall & Cameron, Barristers, Solicitors, etc., Liverpool, N.S.; Robie Millard, Esq., c/o Millard Brothers, Liverpool, N.S.; His Worship, Mayor D. W. MacKay, Liverpool, N.S. G. W. Spurr—S. R. Forbes, Esq., c/o Madden's Pharmacy, Liverpool, N.S.; A. W. Hendry, Esq., General Shipping, Liverpool, N.S.; J. Ross Byrne, Esq., Barrister, Solicitor, Liverpool, N.S. D. F. Winters—no recommendations received. G. S. Winters—no recommendations received.

3. No appointment has yet been made.

4. Answered by No. 3.

5. Answered by No. 3.

6. Five of the applicants are returned soldiers; two are in receipt of pension.

7. No.

ST. LAWRENCE RIVER POWER COMPANY

Mr. MANION:

Has the Aluminum Company of America made application to the International Joint Commission to raise the temporary weir which they are maintaining at Massena, and to make such weir permanent?

Mr. MACKENZIE KING: The St. Lawrence River Power Company, of Massena, has made an application, addressed to the Secretary of State of the United States, for authorization to raise, from its present level at El. 200.0 to El. 206.0, sea level datum, the crest of its submerged weir in the south channel of the St. Lawrence river at the mouth of its power canal. The application was transmitted to the International Joint Commission, which has arranged to hold a hearing on the application on April 3.

RAILWAY MAIL CLERKS—CLASSIFICATION

Mr. EVANS:

1. What are the changes proposed regarding the grading or classification of railway mail clerks and their runs?
2. What will be the maximum salary?
3. What will be the minimum salary?

Mr. RINFRET:

1. The grading and classification of railway mail clerks and their runs is now under consideration, but no decision has been reached.

2 and 3. No information.

CHIEF ELECTORAL OFFICER

Mr. ANDERSON (Toronto-High Park):

1. When the chief electoral officer, Mr. O. M. Biggar, resigned last year, was the position given to the French-speaking assistant?
2. Has any English-speaking assistant been appointed to fill the vacancy?
3. Was the salary for such assistant voted in the estimates?
4. Does the government intend to appoint any English-speaking assistant?

Mr. MACKENZIE KING:

1. On April 14, 1927, a motion was unanimously passed by the house providing for the appointment as chief electoral officer of Mr. Jules Castonguay, at the time the assistant chief electoral officer; the position of chief electoral officer having been rendered vacant by the resignation of the former incumbent of that office.

2. The position of assistant chief electoral officer has not yet been filled.

3. Yes.

4. It is the intention of the government to fill the position in question.

LETTER CARRIERS SALARIES

Mr. ROBINSON:

Does the government intend to provide increases in the salaries of the letter carriers at the present session of parliament?

Mr. MACKENZIE KING: May I say just a word in regard to this particular question? It reads:

Does the government intend to provide increases in the salaries of the letter cariers at the present session of parliament?

There are several other questions on the order paper which ask as to the intention of the government in respect to particular measures. All of these questions could be answered to the effect that the matter is under consideration, or by words of like import, but hon. members will doubtless prefer to know the mind of the government as regards questions of the kind. In a word, it is that the government must be its own judge as to the time at which it will announce its intentions with respect to legislation, with respect to increases in salaries and the like. The questions for example with regard to the Post Office department might well be asked and answered in the consideration of the estimates of the Post Office department. Failing that the government's intention will be apparent when the supplementary estimates are brought down. The government will announce its intention in advance in regard to any matters in which such a course is deemed expedient. From the fact that the government's intention has not up to the present been announced it may be assumed that there are good and sufficient reasons why no announcement has been made.

Mr. SPEAKER: Dropped.

BOVINE TUBERCULOSIS—RESTRICTED AREAS

Mr. DUFF:

1. Is it the intention of the government to establish a bovine tuberculosis restricted area in the whole province of Nova Scotia?
2. What is the total number of signatures of cattle owners to petitions asking for establishment of such area received to date?
3. In pursuance of this policy, how many head of cattle have been subjected to the tuberculine test in Nova Scotia?
4. How many head of cattle have been slaughtered as a result of reaction to the test?
5. What is the number of cattle so slaughtered in each county in Nova Scotia?
6. What is the number of signatures received to petitions, as referred to, from each county in Nova Scotia?
7. What is the total cost to date of the establishment of restricted areas in Nova Scotia?
8. What is the total amount paid or due owners of cattle slaughtered in Nova Scotia under this policy?
9. What is the result of and report on the immunilogical preventive, curative and transmissibility work of the research councils and other bodies in reference to tuberculosis?
10. Is it the intention of the government to continue to aid such research work?
11. What was the amount expended during the last fiscal year upon such research work?

Mr. MACKENZIE KING: Here again the first part of the question asks as to the intention of the government in the matter of establishing a bovine tuberculosis restricted area in the province of Nova Scotia. That part of the question we would like to have dropped until the matter is under discussion on the estimates.

Mr. SPEAKER: All but the first part of the question stands.

CANADIAN NATIONAL RAILWAYS—BRANCH LINES PROGRAM

Mr. SPENCER:

Does the government intend to introduce a three-year branch railway program for the Canadian National Railways this session?

Mr. MACKENZIE KING: That is another question of the kind to which I have alluded. I would ask that this question be dropped, and the same with respect to the next question, standing in the name of the hon. member for St. John-Albert (Mr. MacLaren), with respect to the intention of the government as to a system of statistics of trade in the maritime provinces.

Mr. SPEAKER: Dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT STEAMERS—COAL SUPPLIES

Mr. SMITH (Cumberland):

1. How much coal did the Lady Laurier, Arleaux and all other government steamers on the Atlantic coast government service use during 1927 and up to the present, in 1928?
2. What proportion was United States coal?
3. What proportion was Canadian coal?
4. What are the names of individual persons, or firms, supplying this coal?
5. What price was paid?
6. Was the coal supplied by tender, contract, or otherwise?
7. Where and when was the coal delivered?

IMPORTED MANUFACTURED PRODUCTS—FIXED VALUATION

Mr. FANSHER (East Lambton):

1. Under the authority given in the revised statutes of Canada, 1927, chapter 42, section 43, has a fixed value, for duty purposes, been placed on any manufactured products imported into Canada during 1927?
2. If so, what were the products and what was the fixed value in each case?

3. On what natural products imported into Canada during the year 1927 was a fixed value placed when calculating the duty thereupon?
4. What was the fixed value placed on each product?
5. For what period of time did each fixed value apply?

PREVENTIVE SERVICE—NOVA SCOTIA

Mr. MacNUTT:

1. How many preventive officers of all classes were engaged by the government or any department thereof in the province of Nova Scotia during 1927?
2. What are their respective names, addresses, and salaries?

THE MEXICAN SITUATION

Mr. T. L. CHURCH (Toronto Northwest) moved:

For a copy of all correspondence, telegrams, and all other communications between the government of Canada or any member thereof, or any other Canadian official, and any person or persons concerning the utterances and letters of the Mexican consul at Toronto, L. Medina Barron, arising out of the recent visit to Mexico of Sir Henry Thornton, president of the Canadian National Railways.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to repeat what I said the other day when a similar motion was called, namely, that I do not think it is in the public interest that this correspondence should be brought down. May I say that the correspondence, in part, consists of resolutions from Orange lodges and, in part, of resolutions from Catholic organizations, practically all of which have already appeared in the press. So far as that part of the correspondence is concerned, it is already public. As to the remainder, much of it I regard as extreme in its phraseology and of a character calculated to provoke unnecessary controversy, and calculated to be very much misunderstood both in this country and abroad.

I have the correspondence here. I shall be very glad to have my hon. friend opposite, the leader of the opposition (Mr. Bennett) look it over, and if he wishes to have it tabled, well and good. I make the same suggestion with regard to the member for Acadia (Mr. Gardiner)—or for that matter any other member of the house. But I do not think so far as the general public and outside world are concerned that it is desirable that this correspondence should be made public, and I hope in view of what I have said that my hon. friend from Toronto Northwest (Mr. Church)—I shall be glad to let him see the correspondence—will see the wisdom of dropping the motion.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, this is a starred motion and not debatable.

Mr. SPEAKER: It is not debatable.

Mr. BENNETT: No. One of two things should now happen. The motion not being debatable, we are precluded from discussing it in any sense. The Prime Minister therefore should agree to it or ask that the hon. member for Toronto Northwest make it a motion for papers, so that it would be debatable. That is the obvious answer to the position now taken. Since no one may debate this motion, clearly the only way in which it could be debated would be on a motion for papers which is not a starred motion. On the other hand, if I might be permitted, Mr. Speaker, I would say that the observations made by the right hon. Prime Minister offering facilities to every member of the house to inspect the correspondence if he so desires, in my judgment more than amply meet the situation, and I trust my hon. friend from Toronto Northwest will adopt the suggestion.

Mr. CHURCH: Mr. Speaker, notwithstanding what has been said this afternoon, I submit that the rules of the house as laid down for parliamentary procedure require the production of these papers. I have now one motion—all I am allowed—on the order paper. No doubt the Prime Minister—

Mr. SPEAKER: Order. I have allowed observations to be made with a view to reaching a certain solution of this question, but the motion is not debatable. The hon. gentleman was asked if he would withdraw his motion. If he is not willing to do so, I have only one duty left—to put the motion to the house.

Mr. CHURCH: Mr. Speaker, I want to find out if this is a free parliament. I will not withdraw my motion. The other day when my motion was opposed by the government, as a matter of courtesy I agreed to amend the second part, and I submit that I am now within the rules of the house. But, Mr. Speaker, I bow to your ruling if you still declare that this motion is not debatable. Some have debated it already and some not.

Mr. SPEAKER: Under standing order 51 the motion is not debatable. As a matter of courtesy, and following the time-honoured practice of the house, I have allowed the two leaders to make certain observations across the table with a view to facilitating matters, but there can be no debate of the subject matter. Is the hon. gentleman willing to

withdraw the motion, or does he leave it on the order paper? I will put the question to the house.

Sir GEORGE PERLEY (Argenteuil): Mr. Speaker, may I call your attention to standing order 51 at page 135 of Beauchesne's Parliamentary Rules and Orders, second edition? The last sentence of this rule reads as follows:

All such notices—

That is, for the production of papers.

—when called shall be forthwith disposed of; but if on any such motion a debate be desired, it shall be transferred by the clerk to the order of notices of motions.

Hon. ERNEST LAPOINTE (Minister of Justice): I do not think that debate is desired. We want to proceed with the motion immediately.

Mr. BENNETT: The other man has his rights.

Mr. CHURCH: Mr. Speaker, I was asked by the leader of the opposition to withdraw my motion. I certainly will not withdraw my motion.

Mr. SPEAKER: Then I will put it to the house. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No.

Mr. SPEAKER: Those in favour of the motion will please say, aye.

Mr. CHURCH: Aye.

Mr. SPEAKER: Those opposed:

Some hon. MEMBERS: No, no.

Mr. SPEAKER: Lost.

Motion negatived.

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT

TABLING OF EVIDENCE AND AFFIDAVITS

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I desire to ask the government a question arising out of the tabling of the Hunter report on Monday last. Was all the evidence presented at the Hunter inquiry tabled; if not, will it be tabled? Are all the affidavits that were taken before the inquiry tabled; if not, will they be tabled?

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): I understand that all the evidence taken at the inquiry has been tabled, but I will ascertain if that is so. As to the affidavits that preceded the investigation, I do not think they have been tabled. If it is the desire of the house I will have them tabled.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Tuesday, February 21, consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment thereto of Mr. Cahan.

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, within the limited time at my disposal I shall not be able to go minutely into the budget or the proposed tariff changes. However, limited as my time is, I should like to devote a moment or two to put myself on record—as a Liberal member from western Ontario, representing a constituency where we have a good deal of manufacturing, but which perhaps largely rural—and say that I endorse the budget. I will go further; I will take the opportunity of congratulating the Minister of Finance (Mr. Robb). Running true to form, he has brought down a budget that again we can safely call a people's budget—a budget for the masses of this Dominion.

Summarizing the budget briefly, Mr. Speaker, it can be divided roughly under three heads: Nineteen million dollars cut from taxes—

Mr. IRVINE: Which taxes?

Mr. SANDERSON: Will my hon. friend just let me continue? I have only forty minutes in which to present my views. He was not interrupted last night. I repeat, Mr. Speaker, for the benefit of my friend across the floor: $19,000,000 cut from taxes; $39,000,000 wiped off the debt; $55,000,000 gain to surplus. What better evidence of prosperity could the people of this country want than such a budget? I know that the reduction of taxes, and the wiping off of the debt to a substantial amount, and the surplus, are all due to the increase in our trade and commerce. But may I be permitted to say that perhaps there is another reason why it has been possible to bring down such a fine, healthy budget—the energetic work of the Minister of National Revenue (Mr. Euler) in his department. He, I think, is entitled to some credit for the surplus, as are also his staff and the commissioners as well as those under their direction; all of whom are administering their branches with efficiency for the benefit of the whole of Canada.

As regards the provisions of the tariff, I am in favour of the reduction of 10 per cent in the income tax following the reduction of 10 per cent last year, and I trust that next year or the year after, the Minister of Finance will see his way to wipe out the income tax entirely. I also agree with the further reduction of 25 per cent in the sales tax and I hope that next year the minister will be able to abolish this tax entirely.

Coming down to the proposed changes in the tariff, I have time to discuss only the textile industries, embracing cottons, woollens, linen and flax. The proposed reduction on cottons is from 37½ per cent to 30 per cent —not a very drastic change, but still a change and one which I think will be in the interests of all the people. All the people of this country to-day are using cotton in some form or other. The manufacture of cotton has advanced so rapidly in the last few years that there is hardly a garment of any description which does not contain some percentage of this fabric. In many cases, indeed, it has supplanted silk, wool and linen. It is therefore a household necessity and any reduction in the tariff on cotton will benefit the householder who has to buy cotton, if not daily, at any rate almost weekly. In this respect the proposed change will have some tendency to reduce the cost of living, to a certain extent at least.

Already the Conservative press of the country is beginning to repeat the old story of industry being injured, and we are being told that the cotton industry of Canada will be dealt such a blow that it will never recover. In refutation of this prediction I have only to point to the history of the automobile industry from 1926, and I believe that the reduction on the cotton tariff will be justified. I have no doubt that history will repeat itself; that what occurred in connection with the automobile industry will happen in this case, and that the cotton manufacturers will find that under the new arrangement their business will increase rather than diminish.

The Dominion Textile Company is the largest cotton manufacturing concern in Canada. I do not know whether it has a monopoly of the cotton business, but I should like to put on Hansard, for the information of the house, some facts from the last annual statement of the company as recorded in the Annual Financial Review, July, 1927. I cannot read the whole statement, which is rather lengthy; but for the moment I wish to quote comparative statements for the years ending March 31, 1924, 1925, 1926 and 1927, in relation to dividends and surplus. The Dominion Textile Company Limited, in 1924, paid dividends amounting to $1,035,842. They paid exactly the same amount in 1925, and in 1926 and 1927 they distributed an increased amount, $1,260,842. But while they were paying dividends they were building up their reserve, which has risen from $5,390,-003 in 1924 to $6,529,988 in 1927. In the light of these figures, Mr. Speaker, I contend that the proposed reduction in the tariff on cottons will not in any way materially affect the business of the Dominion Textile Company, Limited.

Now we come to the reduction on woollen goods. The hon. member for Fort William (Mr. Manion) yesterday afternoon took the house to some extent into his confidence. He told us that, unfortunately, as he put it, he happened to be a shareholder in the Monarch Knitting Company, Limited, and added that he was afraid the reduction on woollens proposed in this budget would operate adversely against the shareholders of that company. By a strange coincidence, Mr. Speaker, the Toronto Mail and Empire of February 16 last—that was last Thursday, the day the budget was brought down—on its financial page had the following to say about the Monarch Knitting Company, Limited, of which, as the hon. member for Fort William tells us, he is a shareholder.

Mr. MANION: A very small one.

Mr. SANDERSON: I am sorry, because it is good stock. This is what that journal says:

> Shareholders in the Monarch Knitting Company, Limited, have reason to be gratified over the progress that has been made since its organization. The company, in 1903, the first year of its operation, had net profits of $3,995.74—

Very small.

> —and these were increased to a peak of $386,686.99 in 1919. In the twenty-five years of the concern's existence the net profits have aggregated $2,826,185.12. Since the reincorporation of the company, when it was transferred from private ownership to a limited liability organization, there have been expended in improvements and extensions the sum of slightly over $1,000,000.

I do not think, therefore, that any shareholder of the Monarch Knitting Company, Limited, need have very much fear about his holdings. If I were inclined to offer any advice to my hon. friend from Fort William, I would say, hang on to the few shares you have.

Mr. MANION: I cannot do anything else because no one will buy them. The company is not paying dividends and has not done so for some years.

Mr. SANDERSON: If the hon. gentleman will possess his soul in patience I will tell him why they have not. I had the curiosity to look up, in the same Annual Financial Review, July 1927, the statement concerning the Monarch Knitting Company, Limited. I find in the Review their last financial statement, issued 1927. It is a very long statement and therefore I cannot read it all. However, I quote the following:

The Monarch Knitting Company Limited was incorporated by Ontario charter to take over the business of the company of the same name which commenced operations in the year 1903 and operated up to May 1, 1912.

The company's business consists of the manufacture of knitted goods; comprising sweater coats for men, women and children, and a complete line of fancy knitted goods such as sweater coats, skirts, toques, scarfs, hosiery, etc.

The factories owned by the company at Dunnville, St. Catharines and St. Thomas are modern in structure and equipment and excellently adapted for the business.

Then below that there is a footnote:

The Buffalo property and plant was finally disposed of, in 1925.

Reading the statement, you will find that nearly all the adversity which the Monarch Knitting Company, Limited, has suffered is to be attributed to the operation of its Buffalo plant in the state of New York. Nevertheless, the fact is that the rate of duty on woollen goods going into the United States runs from 40 per cent to 55 per cent, while the Monarch Knitting Company enjoyed a protection here of 37½ per cent. I would like to ask my hon. friend from Fort William if he purchased his shares knowing that the company had a plant in the city of Buffalo? Surely he would not put money into any concern operating in the United States.

Mr. MANION: In reply I might say that I do not pretend to be so loyal that I would object to making money in any country.

Mr. SANDERSON: I am glad to hear that, but this statement will show, Mr. Speaker, that the losses of the Monarch Knitting Company were made in the United States and not in the Dominion of Canada.

Mr. MANION: But what my hon. friend has said has not changed at all what I stated yesterday.

Mr. SANDERSON: Of course not; I might talk here until doomsday without changing the opinion of my hon. friend, knowing how biased he is.

Mr. MANION: You would not change the dividends either.

[Mr. Manion.]

Mr. SANDERSON: So much for the knitting industry. Now I just want to say a word or two about the linen industry. That is something of which I have perhaps a fairly accurate knowledge, because it is associated with the business in which I happen to be engaged, the growing and working up of flax for the spinner. The small change which has been made by increasing the preferential on fine linen will not affect the linen industry in the Dominion of Canada, nor will it affect the flax industry in Canada, for the reason that there is no fine linen made in this country or in the United States, with all the great progress they have made in manufacturing. I have not time to go into the reason for that in detail, any more than to say it is largely due to climatic conditions, which are most nearly perfect in Ireland where the finest linen is made. In the case of the textiles, cottons, woollens and linens, there is no harm done by the proposed changes in the tariff.

Mr. EDWARDS (Waterloo): What about the weaving industry?

Mr. SANDERSON: Is my hon. friend referring to linens, cottons or woollens?

Mr. EDWARDS (Waterloo): The weaving of woollen cloth.

Mr. SANDERSON: My hon. friend will have forty minutes in which to discuss the budget, and I would rather he did not take up my time just now.

Before I was interrupted, Mr. Speaker, I was closing my remarks with regard to the textiles, and now I want to go back to the speech of my good friend the hon. member for Fort William, because he is in a genial mood this afternoon. I always like to hear him speak; he has such a genial smile, but I have come to the conclusion that beneath that smile there is a stratum of political bitterness which he does not succeed in hiding. In the course of his speech yesterday he touched on the woeful condition of affairs in this country and made what might be considered during an election as a fairly good campaign speech, considering his side of the story. But I want to ask him and to ask this house if the speech delivered by the hon. member yesterday, decrying this country, repeating the old story of the boys and girls going to the United States and telling of the hundreds and hundreds of factories closed, is a good advertisement for the Dominion of Canada? It would be bad enough if it were true, but it is not; the statements are not correct.

Mr. MANION: Mr. Speaker—

Mr. SANDERSON: I object to these interruptions; I only have forty minutes.

Mr. MANION: I rise to a point of order. The hon. member has stated first that something I said is not true ,and secondly that I decried this country. I neither decried this country nor made any untrue statements. The hon. member may disapprove something I said, but no statements made by myself were untrue.

Mr. SPEAKER: I must ask the hon. gentleman to withdraw that statement. He is not permitted to say of another hon. member of this house that he made a false or untrue statement; that is not parliamentary language. This is an assembly of gentlemen, and it is not permissible to say that the statement of any other member is not true.

Mr. SANDERSON: As one of the younger parliamentarians, Mr. Speaker, I want to abide by the rules of the house, and if I have said anything contrary to those rules I willingly withdraw it. Nevertheless, Hansard will speak for itself with regard to the remarks of my hon. friend from Fort William. However, I have one or two further matters to take up with regard to the hon. member. He dwelt at length on the unemployment in this country, and stated that instead of decreasing it was increasing.

Mr. MANION: No; I said that our people were going to the United States.

Mr. SANDERSON: I am sorry I have not a copy of Hansard here in order to read the speech of the hon. member.

Mr. MANION: I wish you would.

Mr. SANDERSON: All this time is being taken out of my forty minutes, Mr. Speaker, so I would simply advise hon. members to read carefully the speech of the hon. member for Fort William and see just what he said, because he certainly referred to unemployment.

Mr. MANION: Hear, hear.

Mr. SANDERSON: Yes, indeed. Well, Mr. Speaker, I do not say this unkindly, but my hon. friend is pretty well employed; he is not only holding down one job but has two positions at fairly good salaries, if I am informed correctly. And then, not satisfied with being a member of the liquor control board of Ontario, which position he is filling very efficiently; not satisfied with being a member of this house, which position he is also filling efficiently, he attempted to get a third position in Winnipeg last October. Now, I ask him in all fairness whether, if he had been fortunate enough to secure what he went after in Winnipeg—and he made a fairly good run, among others—he would have attempted to hold all three of those positions, or whether he would have given some of them up?

Mr. MANION: Does my hon. friend wish an answer now?

Mr. SANDERSON: Yes, I will give my hon. friend a moment in which to answer.

Mr. MANION: Then I will tell my hon. friend that I would have decided what to do after I had obtained the leadership.

Mr. SANDERSON: But my hon. friend did not get the leadership.

Mr. MANION: I do not cross any bridges until I come to them.

Mr. SANDERSON: My hon. friend was like Barkis; he was apparently willing—we will just leave it at that. But my hon. friend had better not dwell too much on unemployment in Canada, I think. Two years ago in this house, speaking on the budget, he very frequently referred to Providence, and said Providence was taking care of this country in spite of the fact that we happened to have a Liberal government in power at Ottawa. I quite agree with him; Providence is over us all individually and collectively, political parties as well as everything else; but perhaps my hon. friend forgets that Providence has been guiding the affairs of this country since 1921 by permitting a Liberal government to remain in power.

An hon. MEMBER: It was the Progressives who did that.

Mr. SANDERSON: I did not catch the interjection. Speaking of Providence in connection with the hon. member for Fort William, I think he has a strain of religion in him, and I commend him for it. In his youth he must have thought of going into the ministry. In later years he has tried twice to get into the ministry; he succeeded on both occasions but did not stay there very long. I hope he will continue to place his faith in Providence, and remember that if a Liberal government happens to be in power at Ottawa it is because a kind Providence has placed them there.

My hon. friend referred to the Department of Soldiers' Civil Re-establishment, and again I hope that in what I am going to say I am not misquoting him; I will cheerfully withdraw any remarks which transgress the rules in any way. From my recollection of what he said yesterday the hon. member was criticizing the Department of Soldiers' Civil Re-establishment. He said that the expenses

in connection with the administration of that department were increasing, and that the increase had been some $35,000 last year over the year before.

Mr. MANION: I should like to correct my hon. friend; he is misquoting me again. I am sorry to take up the time of the house but I do it in good faith. If my hon. friend will permit me, what I said was that the two departments, the Department of Health and the Department of Soldiers' Civil Re-establishment, had this year $35,000 more estimates than the same two departments had last year. That is all I said.

Mr. SANDERSON: I understood my hon. friend to say that the $35,000 was charged against the Department of Soldiers' Civil Re-establishment.

Mr. MANION: No; my hon. friend read my speech too hurriedly.

Mr. SANDERSON: I was under the impression my hon. friend had made the statement. However, getting back to the Department of Soldiers' Civil Re-establishment, as a returned soldier I want to say that if there was inefficiency in the administration of the department, and it was necessary to increase the expenditure in the interest of efficiency, I am quite certain that my hon. friend, also a returned soldier, would not object to that increase, and that if it cost the country not $35,000 but a still greater amount, to give the returned soldiers a fair, square deal, I think my hon. friend will agree the expenditure should be made.

Mr. MANION: Hear, hear.

Mr. SANDERSON: Again, if I have misquoted or misrepresented the hon. member for Fort William in any way I am verry sorry. The hon. member for Fort William indulged in prophecy as to what was going to happen at the next general election. I think he is a false prophet. I have heard him prophesy before.

Mr. LAPOINTE: Hear, hear.

Mr. SANDERSON: I have heard him prophesy from the opposition benches, and I heard him prophesy from the government benches for a matter of a few hours. In both instances his prophecies were wrong so that I would not put too much dependence in any prophecy my hon. friend from Fort William may make concerning what will happen at the next general election. I am not going to indulge in prophecy further than to say it is a pretty safe bet that in all probability after the next election the Liberal party will come back here with a larger following than they have now. That is as far as I will go in the matter of prophecy.

The chief critic for the opposition, the hon. member for St. Lawrence-St. George (Mr. Cahan) whom I am sorry not to see in his seat at the present moment, made a speech here the other day that covered a very wide range. I do not know just why the leader of the opposition called on the hon. member for St. Lawrence-St. George to act in the capacity of chief financial critic. It is none of my business, and it does not concern me very much, but I thought that one reason, perhaps, was that he had an opportunity of exceeding the forty minute limit. At any rate the hon. member pursued a course in that speech which I do not think should go unchallenged in this house. He made what appeared to me to be an attack on the Canadian National Railways, and on Sir Henry Thornton, the general manager of the system. I do not hold any brief for Sir Henry Thornton; he is well able to take care of himself, but if there is one thing in Canada for which the people today should be grateful more than anything else it is the fact that Sir Henry Thornton and his able assistants have pulled the Canadian National railway out of the mire in which the Conservative party left it when they handed it over to the Liberal party.

My good friend the hon. member for Toronto Northwest (Mr. Church) made a speech here last night, and as far as I could follow him his chief grievance was against the tariff advisory board. I wish to say that in my humble opinion the tariff advisory board is functioning in a way which is for the benefit of the people of Canada. It is doing good, efficient and faithful work, which perhaps will have a tendency to take this vexed question of the tariff out of politics.

Mr. GARLAND (Bow River): Not if the government keeps on this way.

Mr. SANDERSON: I am glad that I am drawing fire this afternoon from all quarters of the house. The tariff advisory board is doing a work that will be of benefit to incoming governments whether they happen to be Liberal or Conservative. The hon. member for Toronto Northwest spoke of the tariff advisory board as "a travelling minstrel show." He repeated the statement two or three times. He not only repeated it in this house last night, but he repeats it occasionally in the city of Toronto. I do not think the advisory tariff board is a travelling minstrel show, but I do think

this: if the government in Ottawa wanted to go into the minstrel show business I could recommend them a man from Toronto Northwest who would perhaps fill the bill pretty well and he need not blacken his face either. I do not agree with my hon. friend the hon. member for Toronto Northwest when he calls the tariff advisory board a travelling minstrel show.

Now, Mr. Speaker, my time is almost up. I want to say in conclusion, getting back to the budget and to the financial condition of Canada, that under the wise and able leadership of the present Prime Minister (Mr. Mackenzie King) the Liberal party—whether they remain in power four years, or eight years, or twelve years—will leave a record behind them of efficient, honest and economical administration that will redound to the credit of this Dominion.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I really do not know what the hon. member for South Perth would have done if the hon. member for Fort William had not supplied him with material for his speech. While the hon. gentleman was speaking I could not help recalling a phrase uttered by a former finance minister of Canada in this house upon one occasion when a similar question was raised, when he said, "I have not found so great faith, no not in Israel." When the hon. member made the statement that the Conservative party left the national railways in a mess, he was speaking without a knowledge of the facts. If the hon. member will read the history of the railways of this country he will find that the great Liberal party were responsible for the mess in which the national railways found themselves. I ask him if he remembers when the Liberal party guaranteed the bonds of the old Canadian Northern from Fort William east and when they built the National Transcontinental costing this country some $160,000,000. Those two incidents alone were responsible for creating our railway problem and both of them were attributable to the Liberal party.

As I have only forty minutes at my disposal I cannot spend too much time upon the speakers who have preceded me. This is the first time in my life that I have seen a Minister of Finance, in presenting his budget, take for himself and his government credit for all the blessings of Almighty God and the products of the labours of man. As I listened to him delivering his budget speech on Thursday last, I could not help thinking of the words of Cassius: "Upon what meat doth this our Caesar feed that he is grown so great?" The picture that he painted is one that no other man in Canada can see to-day. I wondered at the time if he thought he was another John in the island of Patmos viewing a new heaven and a new earth, because the picture that he painted is not to be found in this country to-day. As he proceeded he took credit for his government for the bountiful crops which nature has provided and for the products of our mines and forests, and I wondered if he, like Joshua, could command the sun to stand still, the winds to blow and the rain to fall.

Then I thought of the great mass of the working people who have not a full dinner pail, of the farmers who have little left over after their year's work, of the march of that great army from Canada to the American republic, and I wondered what was the cause of those delusions and hallucinations in the minds of the government. With a courage worthy of a better cause and with a touch of the dramatic instinct in him the Minister of Finance rose in the house and challenged anyone to say that Canadians were not returning home. I wondered then as I wonder now whether any member of this government or any member of the Liberal party, who talks about Canadians returning home, had ever gone beneath the surface and studied the reasons why a few people are returning across the border from the United States. I would ask them to remember what the hon. member for Fort William (Mr. Manion) said yesterday, namely, that the great bulk of the people coming back are not Canadians at all. I would ask them to investigate that great organization created three years ago in the United States and called the border patrol, an organization that has headquarters in Seattle, Spokane, Grand Forks, Buffalo, Detroit and Montreal, and I would ask him to view the workings and study the returns of that organization. If he does so he will find out that that organization last year kicked back, so to speak, into Canada some nineteen thousand men. Those are the men that are returning to this country. Those are the immigrants that this government is taking credit for.

A few weeks ago I placed on Hansard figures showing that, since this government came into power, more native-born Canadians had gone to the United States republic than the number of immigrants we had received from all quarters of the world. That statement has never been and cannot be disputed. The matter is more serious when it is realized that since 1924 none but a native-born Canadian can migrate to the United States. I ask the Minister of Immigration (Mr. Forke), who to-day is occupying one of the most important

portfolios in this cabinet: How is he going to find work in this country for the British-born he is bringing in and to whom he is giving greater favours than Canadian-born citizens can secure? That is a question which he must answer. The Minister of Immigration is to-day sitting upon the government benches; he is drawing the salary and emoluments as a reward of his apostacy to the Progressive party. His policy and that of his party in the past has been one that has closed the factories of this country and to-day he finds that he is being crucified on a cross of his own construction. I ask him and I ask this house: How is he going to get work here for the people he is bringing in from Great Britain? He cannot, except to a limited extent, place them on the farms, and pursuing, as he is and as this government is, a policy of closing down our factories, I ask them where they are going to place these men. The Minister of Immigration can expect and deserve no consideration from us on this side of the house. The very policy that he and his party have advocated in this house, and that this government looks upon as its polar star of power, is the one which is making it difficult for people to get work in Canada to-day. I have however, many subjects to cover and I must not spend too much time on this.

I desire for a moment to speak about what this government has done for the labouring people of this country. Two years ago we saw them muddling up the automobile industry and as a result there are about five thousand fewer jobs in Canada to-day than there were. A few years ago they did the same thing with agricultural implements and to-day we are importing $30,000,000 worth of agricultural implements from the United States. They did the same thing with the steel industry and to-day there are thousands and tens of thousands fewer jobs down in the maritime provinces. But the government have not been content with their devastating influence in the past and they have once again put their knife into the great woollen industry, which should be one of our most flourishing industries. Coincidentally they have injured the farmer and the sheep growing industry. Why should there be only about 2,500,000 sheep in Canada while Australia, a similar country, has nearly 90,000,000? The reason is this, that ever since this government came into power they have been knifing and putting the stiletto into that industry as well as other industries in Ontario, always being careful to protect their friends in Quebec and, in this present budget, taking pains to protect some of their friends in Ontario. I ask why the Prime Minister, the Minister of Finance and the Minister of Justice should to-day pursue a different policy in connection with the woollen industry from the policy pursued in the regime of the late Sir Wilfrid Laurier. Those who know the history of this industry know that in 1900 Sir Wilfrid Laurier, through the British preference, reduced the protection from 33 per cent to 22 per cent. They know also the disastrous effect which that had on the woollen industry in this country, and in the following year the tariff was raised to 30 per cent, and that increase was supported by the present Prime Minister, the present Minister of Finance, and the present Minister of Justice. The tariff stood at that point all through the regime of Sir Wilfrid Laurier and up until 1922. When this government came into power, they reduced the rate to 27½ per cent. Not content with that, although it closed mills and looms by the hundred, in the year following this government took a further ten per cent off and reduced the tariff to 24.8 per cent. And now they come back and drive the stiletto into it again. They go at it in an underhand way, and possibly the woollen mills have given them some pretext for doing so because they have laid stress on the number of looms that are standing idle through the policy of this government. Now the looms, of course, have to do with the final product, and no doubt what is in the government's mind is that if they can start these looms they will be able to say that they have cured the ills of the woollen industry in this country. But, Mr. Speaker, I am told on good authority that every loom that starts up will give employment to only one girl, but behind that, it will put out of business some four or five who are doing the preparatory work. There we see again the baneful influence of this government, and how its policy is going to strangle the woollen industry and possibly drive more mills out of business. I ask you, Mr. Speaker, I ask any man of intelligence and common sense, why do we crucify our Canadian industries that are giving work to our own people? For the life of me I cannot understand it. I have studied the matter and I have studied the government, and the only conclusion I can come to is that it is done in order that this government may retain power. I say in all seriousness that the only hope for our people in this country is in one of two things—either that the American republic apply the quota system against Canada, or that this government be turned out of power.

I want to say just a word in reply to the Minister of Finance on the matter of taxa-

tion. In bringing down his budget he boasted, as usual, of the reduction that had been made in the national debt. His followers on the back benches have since been getting up and repeating in a parrot-like way just what the minister said, in spite of the fact that the departments of the government itself furnish figures which belie the minister's statement. I am not going to put them on Hansard, because they have already been put on a number of times. Suffice it to say that since this government came into power there is $62,000,000 more owed by the people of Canada. After I heard the minister boasting about the reduction in taxation that this government had made I took the trouble to figure it out and I found that when this government came into power we were paying $42 odd per head in taxation. In the few years this government has been in power that taxation has risen by over $4 per head; we are now paying over $46 per head. Compare that with what has been done in the American republic. After the war the American people found they had a national debt of $26,000,000,000, so they inaugurated a definite debt retirement scheme, and to-day their national debt is down to $16,975,000,000. They have reduced their taxation from $50 to $25 per head. Compare that with what Canada has done. President Coolidge in his address to congress a few weeks ago stated that his government had taken $212,000,000 of the burden of taxation off the people every year since 1925, and that is reflected in their present taxation. We look in vain in this country to see any reflection in our taxation of the economy of which this government boasts.

Looking a little further into the question of what this government has done for the workingman, I took the trouble to look up the income tax returns, and let me say to my friends of the Progressive group that only 1.02 of the people of this country are paying income tax to-day. I also figured out what the reductions that the Minister of Finance is proposing in the income tax schedules will amount to, and I find that people with an income of $100,000 will get a reduction of over $2,000 per year. Compare what this government is doing for the rich man with what it is doing for the farmers of this country. The man with an income of $100,000 gets a reduction of over $2,000 per year, while so far as the farmer is concerned, his protection is indirectly taken off the wool that he grows. The three per cent sales tax is retained on the shoes and clothes he and his family wear. The man with an income of $200,000 is given a reduction of $6,000 per annum, and the man with an income of $300,000 gets a reduction of $9,000. In contrast with that, this government takes out of the pockets of the farmer, through the operation of the Australian treaty, from twelve to fourteen cents on every pound of butter that he makes.

But there is worse than that. While the government makes this enormous reduction in the income tax for the rich man, it places a tax of forty per cent upon some articles of food that everybody in this country uses. I ask you, Mr. Speaker, is it any wonder we have bolshevists in this country when you have a government managing the people's affairs as this one is doing?

I want to pay a little attention now to another department of this government, to that still-born corpse that has been represented at the council table of this government for the last six or seven years; I refer to the Department of Health. With my good friend from Fort William I acted, so to speak, as the accoucheur at the birth of this institution. We spent days and nights trying to whip the thing into shape so that it might serve some useful purpose, and I remember coming out of the chamber one night after we had put up a strenuous argument for a department of scientific research, and having a cabinet minister say to me, "McGibbon, forget it; you will only be creating positions for friends of the government, which will be a great detriment to the country and to the party." I was young in parliament then, and considerable water has flowed under the bridge since. At that time I held cabinet ministers in a great deal of respect. I thought they were a kind of supermen, and that when they had spoken the judgment of the final court of appeal had been pronounced and there was nothing more to be said. But after ten years, after seeing how the mantle of power has made some little men great—I am not speaking in any personal sense, of course—after seeing how the livery of knighthood has turned men of mediocre standing into men of influence and power, I have changed my mind, and I bear witness in this house to-day to the fact that on that particular occasion the minister was right and I was wrong.

I have looked over the reports of the Department of Health for the last six or seven years, and the only thing I can say about them is that, in the words of the late member for Red Deer to me on one occasion, they are a catalogue. I cannot see one thing the department has ever done to justify its creation or its existence. I have a few things that I want to say to the minister, a few things that we have not been able to say about his de-

partment for a number of years, because generally the estimates have not been brought down until the dying hours of the session, when they have been slipped through with nobody present to scrutinize them. I hope there will be some way in which we can get at the department before the session comes to an end.

I know of no department of government that offers such great possibilities of service to this country as the Department of Health, if properly manned and properly organized. But it has been sterile, it has done nothing that will justify its existence or the expenditures voted on its account. I ask you, Sir, I ask the country, what has the department done to curb the tremendous illicit traffic in narcotics that is destroying tens of thousands of the best men and women of the Dominion. Why, Sir, the department has done nothing; it has been impotent. I hope the Minister of Health will bring down his estimates so that they may be scrutinized in the light of day,—

Mr. KING (Kootenay): I shall be glad to.

Mr. McGIBBON: —and thus let this house know something about him and his department. At the time of the organization of the department, Sir, we pressed for a department of scientific research, and it was promised to us. What has been done to redeem that promise? True, the Department of Health undertook a few routine duties, made a few good positions and increased the salaries, but as a scientific organization the body of men assigned to that work have done nothing; the organization has been futile, it has been dead. I should like to see somebody put some life into those dead bones and make the organization as useful to this country as undoubtedly it could be made.

Now, Mr. Speaker, there are a few things in that connection to which I want to refer. Particularly do I want to refer to one subject that has never been taken up in this house to my knowledge—the enormous economic loss to Canada through premature death and preventable illness and unemployment. I do not think the country has ever grasped the enormous economic loss that is suffered year by year, and to the Minister of Health I would point out this as one of the avenues where he can make himself and his department useful to the nation. I have some figures here. They are taken from a report by Professor Winslow and others of the university of Yale after investigations of conditions in the United States, but I have applied them to Canada in relation to our population. These figures disclose, as applied to this country, that 42 per cent of the deaths are of external origin, and consequently preventable. Cutting that in two and taking the figure of 20 per cent, and putting the value of life per year at $2,500, which is not excessive, we find that annually this country is losing from premature deaths no less than $47,000,000. Those premature deaths could be postponed—at least for a time. Then I come to decreased efficiency due to minor and major ailments. We find that advanced impairment of health affects from 10 to 24 per cent of our people, and minor impairment of health from 18 to 40 per cent. Taking 20 per cent as the average, estimating the working days in relation to our population at 3,510,000, and putting the average earning power at $750 per year, with 20 per cent inefficient to the extent of 25 per cent, we find that the loss to this country from that cause alone is another $63,000,000 odd. Then taking into consideration the loss of wages based on the same schedule, and again dividing the percentage by two, we find that 10,500,000 days are lost in this country every year. At three dollars a day, which is not an excessive estimate, this country loses annually in wages $31,500,000. If we add the cost of nursing, food, medicine and medical care, and so forth, we find that the Dominion is losing yearly through inefficiency, impairment of health and premature death nearly $250,000,000. I give those figures to the house and to the country. As I have said, they are not mine; they come from Yale university; but I have checked them up and applied them to Canada. I present them to the Minister of Health to show him where there is an avenue of usefulness and economic value to this country for him and his department. With a population of eight or nine millions we cannot afford to have a preventable economic loss every year of a quarter of a billion dollars. I would remind the house that I have figured out only the preventable part of this loss. This is the problem that I submit as worthy the attention of the Minister of Health and his department.

I see my time is about up, Mr. Speaker. I make one last appeal to this government. I make it on behalf of the sixty thousand soldiers who are dead in France; I make it on behalf of the forty-six thousand pensioners in this country; I make it on behalf of the mothers and fathers of Canada whose families have been broken up and their sons and daughters compelled to make a living in the United States. I say to the government, with all the vast natural resources of this country to be developed, bring down a policy to have this work done in Canada to keep our people at home. I say to the government, and particularly to the Minister of Immigration, that that is the biggest problem, that until the policy of the administration provides work to keep our people here, he can bring in

immigrants from the end of the earth, but in another ten years he will be no further ahead than he is to-day in regard to population. I make that appeal on behalf of the people of Canada. Let it not be said of the government as it was said of the Shulamite maiden. They made me keeper of my father's vineyard, but our own vineyard have we not kept.

Mr. B. W. FANSHER (East Lambton): Mr. Speaker, I feel that some words of commendation are due the hon. Minister of Finance (Mr. Robb), for the character of the budget that he has presented to the house. A statement that shows a balance on the right side, a surplus of receipts over expenditures, is always a pleasant one to hear. As the Minister of Finance announced, he is able this year to reduce the public debt some $38,000,000. But while a measure of credit is to be accorded the Minister of Finance, I think a word of congratulation is also due the Minister of National Revenue (Mr. Euler). It will be observed, from an examination of the finanical statement, that during the fiscal year ended March 31, 1926, the revenue was, in round numbers, $382,000,000, while in the year ended March 31, 1927 it was $400,000,000, roughly, an increase in revenue collections of some $18,000,000. As I say, words of commendation must be given to the efficient manner in which the Minister of National Revenue has administered his department. I must not stop there, however, in my commendation of those who have contributed to the satisfactory state of our revenues: I must congratulate the hon. member for Vancouver Centre (Mr. Stevens), who made it possible for the Customs department to be checked up and to be administered as it is at the present time. I believe this country owes a debt of gratitude, which it will never be able to pay, to that hon. gentleman.

As I said before, the increase in revenue is $18,000,000. The expenditures for the financial year ended March 31, 1926 were $335,000,000, and they were practically the same for the year ended March 31, 1927. That is an additional proof that whatever surplus is shown in the financial statement which is submitted to us is due to the increased collection in revenues, because the expenditures were practically the same in the two years.

While I am bound to compliment the Minister of Finance on his financial statement thus far, I am not in sympathy with him as regards the proportion in which the various taxes are levied. Prior to the war our revenue was derived practically from two sources, customs tariff and excise duties. During the war new taxes were levied; new forms and systems of taxation were inaugurated; the income tax was adopted as were also the sales tax and the stamp tax. This became necessary in order to meet the interest on borrowed money on war account and for the re-establishment of returned soldiers, as well as to provide funds for pensions. I have always been of the opinion—and I am not alone in this regard, because the statement has been made before in the house—that there should have been devised and presented to this house a system of war accounting, a statement showing the exact amount of revenues provided by war taxes. Alongside that, we should have a statement setting out precisely the extent of our war expenditures. Only in one year, I believe, did we have from the Minister of Finance a statement of that sort, and that was during the hectic session of 1926. And that statement reveals that in the year ended March 31, 1925, there was collected $147,000,000 on war account, while in the same year there was expended, also on war account, $167,000,000, leaving a deficit of some $20,000,000. For the succeeding years we have no account of the expenditures. We have had, however, an account in each succeeding budget of the amount of revenue provided by these war taxes, and I have tried to figure out as best I can what has been expended on war account. I find that in the year 1926 $157,000,000 was collected and $164,000,000 expended, leaving a deficit of $7,000,000; while in the year 1927 $156,000,000 was collected and $164,000,000 expended, or a deficit of $8,000,000. For the year 1928, as estimated in the budget, the revenues from war taxes will be $146,000,000, while the expenditure on war account will be $164,000,000, leaving again a deficit of $18,000,000. All told, in these four years, war taxes have failed, by the sum of $53,000,000, to provide enough money to pay expenditures on war account.

It is my firm conviction that war taxes should year by year provide for war expenditures and that the details should be set out in the financial statement. There are two reasons for this: this is a special account and should be treated separately; and, further, it is well for the country to realize as the years go by what war, so far as Canada is concerned, costs our taxpayers. Following this line of argument a step further, I wish to give to the house a statement showing the amount of debt reductions accomplished in the last five years. In the year 1924 the national debt was reduced $35,993,593.86; in 1925, $345,589.29; in 1926, $27,706,586; and in 1927, $41,896,729.33. So far as 1928 is concerned,

it is estimated that the debt will be reduced $38,815,000. So that the total in these five years will have amounted to $144,700,000. The point I wish to make is that during past years we have failed to provide enough money through war taxes to pay war expenditures; we have fallen short by about $53,000,000, and yet our debt is purely a war debt. In five years we have paid off about $144,700,000, but that has not been provided by war taxes. It has been provided by the older forms of taxation, the customs and excise taxes. I was sorry to hear the hon. member for South Perth (Mr. Sanderson) say that as far as he was concerned he was prepared to see the income tax gradually eliminated together with the sales tax. I hope those sentiments are not held by many hon. members opposite. If this were done we would be placed under the necessity of meeting our war debt from finances collected entirely from customs and excise taxes, and this is where I take exception to this budget. As I have already indicated, we have not raised enough money by war taxes to provide for war expenditures, yet year by year we are proceeding to reduce the income tax. You will note that in the budget speech of the Minister of Finance this year he says:

> —it is proposed that the Dominion shall continue gradually to lighten the load in the income tax field.

From that we cannot take any other meaning than that the government intends to proceed year by year to reduce the income tax, and I wish to say that I am unalterably opposed to such procedure.

When I first entered this house in 1921, I subscribed to certain principles known at that time as the Farmers' platform. Among other things that platform called for an immediate and substantial all round reduction in the customs tariff; a reduction in customs duty on goods imported from Great Britain to one-half the rates charged under the general tariff; for all foodstuffs, agricultural implements, farm and household machinery, vehicles, fertilizers, coal, lumber, cement, gasoline, illuminating fuel, and lubricating oils to be placed on the free list and for all raw materials and machinery used in their manufacture also to be placed on the free list; for an effort to be made to secure unrestricted reciprocal trade in natural products with the United States along the lines of the reciprocity agreement of 1911. I believe those principles are sound to-day, and I want to assure this house that I still adhere to them.

As many hon. members know, that platform was adopted in 1918; one year later a somewhat similar platform was adopted by the Liberal party in convention assembled in Ottawa. Perhaps there was a reason for that similarity at the time. I wish to read the part of that platform which deals with the tariff:

> That the best interests of Canada demand that substantial reductions of the burdens of customs taxation be made, with a view to the accomplishing of two purposes of the highest importance; first, diminishing the high cost of living which presses so severely on the masses of the people, second, reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country.
>
> That to these ends, wheat, wheat flour, all products of wheat; the principal articles of food, farm implements, and machinery, farm tractors, mining, flour and saw-mill machinery and repair parts thereof, roughly and partly dressed lumber, gasoline, illuminating, lubricating and fuel oils, nets, net twines, fishermen's equipments, cements and fertilizers should be free from customs duties as well as the raw material entering into the same.
>
> That a revision downward of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption other than luxuries, as well as the raw material entering into the manufacture of the same.

And listen to this.

> That the British preference be increased to 50 per cent of the general tariff.

That is the Liberal platform as adopted in 1919.

An hon. MEMBER: Is that information to you?

Mr. FANSHER (East Lambton): I am sure the hon. member likes to hear that platform read and re-read. I believe in the tariff principles laid down in that platform; I could not believe in the former if I did not believe in the latter, but now I ask what progress has been made in implementing that platform since 1919? It is true that in some years small reductions have been made. I well remember the budget which was brought down in 1922; there were practically no reductions, and the Progressives on this side of the house voted against it. That year the majority in favour of the budget was sixteen. The next year the budget was again brought down with practically no tariff reductions; the Progressives again voted against it, and the majority of the government was only eight. The third year of that parliament the budget was brought down embodying substantial reductions on farm machinery and other lines and that budget received the support of the Progressives.

Mr. GARLAND (Bow River): Had the government a majority in the house that year?

Mr. FANSHER (East Lambton): They had an overwhelming majority; the Progressives supported the budget.

Mr. FORKE: Half of the Progressives voted against it.

Some hon. MEMBERS: No.

Mr. FANSHER (East Lambton): For the information of my hon. friend I will tell him that I voted for that budget, as he may possibly remember. The final budget of that parliament contained practically no tariff reductions. Then came the election, and the Liberal party did not have a clear majority in the house. What was the result? We had the most genuine reductions in the tariff that have ever been made in the history of this country. It seems to me that extraordinary conditions must prevail before we can get a tariff reduction in any substantial form. Of course in the election that followed, and in the campaign which preceded it, the budget played a large part.

Before I proceed further into that line of argument, I wish to take up just a few items that are enumerated in the Liberal platform. You will notice that it calls for a revision of the tariff downward in the matter of footwear. Cement and fertilizer are also enumerated in the list of articles to be free from customs duties. Fertilizer was the last one mentioned, and cement was the next one to it. As far as I am able to learn the last mentioned article in the list, fertilizer, is the only one which has been placed on the free list. Now I wish to suggest to the government and to the Liberal party that proceeding upwards from the bottom of this list they take the next article cement and place it on the free list on their next budget. I will give some arguments to show why I think that should be done, and I will place upon Hansard a few figures with respect to certain industries. I will take first the boot and shoe industry. This is one of the industries enjoying a high protective tariff, and we were promised in the Liberal platform that the customs duty should be reduced. Yet during all the intervening years since the Liberals were returned to power this particular tariff item has remained practically untouched. I applied to the Bureau of Statistics in Ottawa for a few figures showing the imports of boots and shoes, the duty collected thereon, and the value of the output manufactured in Canada, and I am going to give them to the house:

Boots and shoes other than rubber

Imports for the year ending March 31, 1927	$ 2,662,754 00
Amount of duty collected (less sales tax)	640,299 81
Percentage of duty	24.05
Manufactured in Canada in the year 1926	46,096,163 00
Exported	311,079 00
Balance for home consumption	45,785,084 00

It is obvious that when $100 worth of goods is imported the sum of $24.05 is collected in duty. Therefore every $100 worth of goods manufactured in Canada for home consumption means that an amount of $24.05 is provided in protection to that industry. We only have to base our calculations on the amount manufactured in Canada to find that there is a protection of $11,011,312.70 provided for the boot and shoe industry.

Mr. LAPOINTE: Is my hon. friend taking the British preferential rate or the general tariff?

Mr. FANSHER (East Lambton): I wish to inform the hon. Minister of Justice that I am not quoting the rates under either of these tariffs. I am taking the actual importations, and the duty collected thereon, and getting my percentage in that way.

Mr. LAPOINTE: But the rate is not 25 per cent under the British preference

Mr. FANSHER (East Lambton): What I am taking is the average percentage of duty. I will read the figures again for the benefit of the hon. minister. The amount of duty collected on all boots and shoes, whether they came in under the British preference or the general tariff, is $640,299.81. That amount is collected on imports to the value of $2,662,754. It is a simple matter of computation to get the percentage of 24.05.

Now we turn to rubber footwear and I have the following figures:

Imports for 1927	$ 116,264 00
Duty collected (less sales tax)	29,016 08
Percentage of duty	24.97
Manufactured in Canada	24,541,324 00
Exported	6,569,885 00
Consumption in Canada	17,971,439 00

By the same process of reasoning we find that when $100 worth of rubber footwear is imported $24.97 is collected in duty. So that in the case of every $100 worth of goods manufactured in Canada a protection of $24.97 was afforded and the total protection granted to that industry was $4,474,888.06. The other day the hon. Minister of Trade and Commerce (Mr. Malcolm), in the course of a speech, gave some statistics showing the importance of the rubber industry of this

country, and said that it held fourth place among our industries. In view of the figures that I have given I do not wonder at it.

In the case of the cement industry I wish to place on record the following figures:

Imports for year ended March 31, 1927.. .. ..$	77,886 00
Duty collected..	5,018 00
Percentage of duty..	16.20
Manufactured in Canada..	13,013,283 00
Exported..	358,231 00
Home consumption..	12,655,052 00

By the same process of reasoning protection in the sum of $2,050,118.42 was provided for the cement industry. For all three industries the total duty collected was $674,333.89, and for the same industries the total amount provided in the form of protection was $17,536,319.18, a ratio of 1 to 26. Which means that for every dollar that goes to the treasury $26 is provided for the manufacturers in question. Is it any wonder that we are opposed to this budget, to a reduction in the income tax, and to the maintenance of the customs tariff at the level where it has been for years past? It is my belief that facts such as I have cited here, viewed in relation to the advantage which accrues to the various industries, has a great deal to do with what is known as our emigration problem in this country. If our system of taaxtion were such as to give to the primary producer larger earnings than he now makes, he would not be so eager to seek other fields.

I have a few words to say upon the position of the government as regards this budget. During the campaign of 1926 an appeal was made to the public on the Robb budget which to my mind was really a Progressive budget, what the Progressive party had been advocating for years. The Conservative party on the other hand warned the country that if the Robb budget came into effect or if the King government was returned, this would mean the ruination of the country. Fair warning was given by the Conservative party. The Liberal party appealed as the low tariff party and they said: Why divide the low tariff element? They were returned to power and this is the second budget that has been brought down. After being pledged, in their platform and in the election, to a low tariff, they selected an advisory tariff board to assist them in better fulfilling their policy of low tariff. One budget has come down with no tariff reductions. A second budget is now down which is nothing more or less than a reclassification of the textile schedules, and which amounts to scarcely anything beyond a few classifications. The great majority of the benefits go to the large industries and the consumers get but little.

[Mr. B. W. Fansher.]

As I say, the government appealed to the country saying: Why divide the low tariff element? But in this budget they have simply tinkered up the old tariff wall, taking off a stone here and replacing it somewhere else, and taking one from there and putting it in the place of the one they took away. They have given the old tariff wall a coat of whitewash and they have still kept the old barbed wire entanglement known as the dumping clause on top of the tariff wall. I thought when I came to this house that the hon. member for Weyburn (Mr. Young), was intent, with the aid of the Consumers League, upon removing that barbed wire entanglement; but somehow or another somebody advised him that if he attempted it, he might get his hands torn and he has not as yet proceeded in that direction.

Mr. GARLAND (Bow River): They stole his wire nippers.

Mr. FANSHER (Lambton): He may be a little leery about putting his pliers into it. Why should the country not expect that in this second budget the Liberal party would come forward and fulfil its pledges? The country is looking for that and member after member from Ontario was returned on the strength of the Robb budget. The government were taken at their word and the country expects them to fulfil their pledge. It is because I believe in the principles enunciated in my party's platform and because I want to see them brought into effect that I speak as I do to-day. I desire to place myself unmistakably on record in this matter. I desire, therefore, to move as a sub-amendment, seconded by the hon. member for Rosetown (Mr. Evans):

That all the words after the word "regrets" in the amendment be struck out and the following substituted therefor:

"That the government proposes further reductions in the income tax, thus making a serious departure from the principle of direct taxation: that the proposed revision of the customs tariff is inadequate to bring effective relief to the consuming public; and that the sales tax on the necessaries of life has not been eliminated."

Mr. A. J. ANDERSON (Toronto-High Park): Mr. Speaker, in rising to address the house I wish to refer first to this sub-amendment. I do not agree with the mover and the seconder of it in regard to the first paragraph thereof and I will refer to it at greater length in the remarks that I have to make. The second paragraph states:

That the proposed revision of the customs tariff is inadequate to bring effective relief to the consuming public.

That is a debatable question and in the remarks that I have to make I shall probably

cover that matter. The last paragraph is practically the last clause of the amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan).

A good deal has been said, not only by members of this house but by many people who are supporters of this government and by the press, regarding prosperity; and this was referred to also this afternoon by the hon. member for South Perth (Mr. Sanderson). Evidently the hon. member for South Perth felt the effect and influence of the arguments that were advanced yesterday by the hon. member for Fort William (Mr. Manion), as he spent the whole of his time in endeavouring to refute them, or, if he could, to ridicule that hon. member. That class of argument does not carry us anywhere. The hon. member did not attempt to answer, either in detail or in reality, the arguments set forth by the hon. member for Fort William.

The hon. member for South Perth referred to prosperity. I do not know exactly what conditions are in the constituency which he represents. It may be one of the constituencies in Ontario in which prosperity may be shown to exist to a considerable extent. The constituency which I represent, which is part of the city of Toronto, is largely industrial. As I said once before in this house, I think seventy per cent of our people, although they may not all be directly interested in industry, depend upon industry for their living. One can judge better as to whether there is real prosperity in this country by looking at the question from the immediate standpoint of the home. True it is that many of our citizens are enjoying a great deal of comfort and some of the benefits of the accumulated wealth of the country, but there are many who are not enjoying that measure of comfort which the wealth of our country should give to them. The Minister of Finance (Mr. Robb) referred in his budget address to the leaders of finance and industry and to the reports that they had made at various times during the year as being good evidence of the prosperity of the country. I do not know to whom he was actually referring when he spoke of leaders of finance and industry, but by leaders of finance I assume he meant the men in charge of our banks, trust companies, investment trusts, and probably insurance companies, because they have control of the greater part of our moneys that are on deposit with them as trustees for the people. Now, with all due respect to the bright statements that are sometimes made by these financial institutions in their annual reports, it is necessary I think for us to scan them with care.

In this country we have several banks all competing for business. These banks are doing business, it may be said, for the benefit of the public generally, but in reality they are doing business for their shareholders. The banks are privately owned; the shareholders own the bank, and the managers of these banks are anxious to make the best showing they possibly can. Competition is rife among the banks themselves, and they are always endeavouring to put forward the brightest statements they can. That is also true of our trust companies and our insurance companies. But when we come to look at what they are doing with the money that is entrusted to them in the form of deposits, what do we find that they are doing with a large part of it? When we begin to look at it from that standpoint, we notice that the stock exchanges of our country use a great deal of that money. The amount of money that is advanced by these various institutions to the stock brokers throughout the country, and the same is true of the United States, is something enormous; it represents a large proportion of the deposits that are entrusted to their care. Now if that money were used on the stock exchange for the buying of stocks, treasury stocks, the proceeds of which would go into the treasuries of these industrial companies, then I would say that that money was going in a direction in which it might help industry in this country and might help to make times better. If that money were invested in the bonds of these companies and were used for the extension of their business, I would also say that that would be for the benefit of industry, and probably of the country as well. But, Mr. Speaker, you know as well as I know, and every hon. member of this house knows, that the bulk of the money that is used on the stock exchanges of this country and of the United States is used in what are practically gambling operations. We may not call it gambling; we may say it is an investment, but whatever you call it the element of chance is there, and we find that our banks, our trust companies, our insurance companies and some of our investment trusts are using their moneys for this purpose. A striking instance of that came to my attention not long ago when one of our largest insurance companies in Canada published, and in rather a boastful way, the fact that it had bought a very large block of stock of another industrial concern in this country—International Nickel. The manager of that insurance company made the statement that they had bought that stock as a permanent investment. Now that stock

was not bought from the treasury of the International Nickel Company. Had it been bought from that source it would have gone into the industry and helped business generally. But no; it was bought on the stock exchange. It may be that it was all paid for in cash, but the money went not into the industry, but into the hands of other men who put it into their private purse or into their bank account, and it did not help the industry at all.

Now where does this insurance company hope to make profits if it is not that they are going to gamble or take a chance on that stock advancing in price on the market? That does not help the industry in this country. If we are to depend on the statement by that insurance company that everything is prosperous, you and I, Mr. Speaker, being probably insured in that company, have to conclude that the profits likely to come to its treasury are to depend upon chance; and that chance is not at all unreal. It may not be out of place for me to say that International Nickel was quoted on the stock exchanges of Montreal, Toronto and New York less than two weeks ago at 100, and to-day it is quoted at 80. Now that is a very great chance. I do not think that International Nickel is a concern that has any fear for the future. I believe it is good, but when we look at it we find that that stock is to-day paying two dollars per share of $25 par value, and yet it is selling on the stock exchange for from 80 to 100. At the price of 80 it pays only 2½ per cent, and it is clear that the insurance company is not looking at it from the standpoint of an investment paying them 2½ per cent; but they have bought that stock on the possibility that it will enhance in value and the profits go into the treasury of the company. If that is an evidence of prosperity—and the same thing applies to other companies as well—it is not a fair and just evidence of prosperity. These companies, as a matter of fact, very frequently refer to reports prepared by the government on public matters, so that the one refers to the other; they are working in a circle, but when we come to find out what is behind it all we have good reason for believing that the greatest care is not exercised in the reports which these institutions put out to the country.

Investment trusts have come into being in Canada during the last two years. They have been in the United States for a number of years. They buy stock of companies, the same as insurance companies are doing, until they gradually accumulate a large holding, and their profits are dependent solely upon the future advance of the market. Is it fair to say that the country is prosperous because these companies happen to make a profit on chance transactions of this kind? I say not. I think the information which is given to the country in general by the two great railroads of this country is probably a great deal better. The annual reports of the Canadian Pacific Railway Company and the Canadian National Railways both show decreased earnings and increased expenditures. These companies are working on the capital that is actually invested in them. True, the Canadian National Railways stock is not on the market, being held by the government; but the Canadian Pacific stock is on the market. The latter company pays a dividend of 10 per cent. Were it dependent upon freight and passenger earnings it might not be able to maintain that dividend, but by wise investments outside its regular railway business it has been able to do so, with the result that the stock to-day is quoted on the market at a high premium. But these railroads both say that the business of the past year is not as satisfactory as it might have been, and not in keeping with the development of the country.

I submit, Mr. Speaker, that the true prosperity of the Dominion can better be judged by the individual, by yourself in your constituency, by myself in my constituency, and similarly by other members of this house. In my opinion, wherever there is an element of unemployment not in keeping with the amount of wealth in our respective constituencies, then economically there is something wrong. The unemployment that is rampant throughout the urban portions of Canada, and also to a lesser extent in the rural districts, is the best evidence that prosperity does not exist to the degree that it should in view of the declarations that we have heard respecting the general prosperity of the country.

One is led to consider why our industrial development is not more active and prosperous. I do not suppose my friends to my left will agree with me, but I thought the other day we had from the hon. member for Red Deer (Mr. Speakman) something suggestive of a change of heart. He gave voice to a sentiment which, it seems to me, might form the basis of cooperation with the view of securing a better industrial development over the whole country. I refer to the statement that his party were not free traders, but were in favour—not necessarily because they like it, but because of existing conditions—of a tariff system, and that it was necessary and advisable that the various parties should get together on the question.

The government has always proclaimed itself a low tariff party. My hon. friends to my left have made it quite clear that they are free traders. The party to which I belong is wedded to a policy of protection. That does not necessarily mean protection to such a degree as to be harmful to our proper national development; it means protection which is constructive in its nature. In brief, it involves the development of all our resources from the raw product through the various stages up to the finished article that goes on the shelves of the retailer and thence into the hands of the consumer. The government by this budget and by its recent legislation is trying to show that it is a low tariff party. But unfortunately for that argument, the government is leaving the manufacturer in practically the same position as before. I do not object to this except as to the degree in which it interferes with the processes of manufacture in the earlier stages.

There can be no doubt that the low tariff legislation of last session injured the earlier stages of domestic manufacture, fabrication or conversion of our natural products, and this budget will be equally harmful in its effects. Let me cite the automobile industry as an example of what happened last year. A large number of the parts that enter into the construction of automobiles are manufactured outside of Canada, and under the budget of last session, they are being admitted free or at such low rates of duty as to interfere with the parts industry in Canada. True, it does help to some extent the secondary stage of manufacture in this country, but it has changed our automobile industry altogether, and to-day it has become to a great extent an assembling industry, with the result, as has been pointed out by other members, that a lesser number of Canadians are now being employed in our automobile industry. The importer of these automobile parts—the automobile manufacturer or assembler—probably is not losing. He handles as many automobiles, probably more than he did under the conditions that prevailed before the introduction of last year's budget; that is, he has become simply an assembler and a sales agent, and in that way he is making his profit. In fact many of the automobile industries are making big profits. But what about this industry in Canada? We are getting to be manufacturers of a partial product only, and if anything should happen in the future to interrupt the entry of those automobile parts, we would be in a very difficult position.

Now, this budget is proposing to do this year in regard to the woollen industry what the budget of last year did to the automobile industry. I can only refer to this in a general way. A part of the woollen product is admitted free in order to assist the secondary process of manufacture, that is, the weaving industry in this country. It is going to have the effect of reducing the number of our sheep, and it will reduce, if not obliterate, that portion of the industry which deals with the raw product up to the time it is fit to put into the loom for the purpose of weaving. And further, it will result in the scrapping of a large amount of machinery and a large number of plants in which has been invested a great deal of good Canadian capital. That, it seems to me, is a very unfair way to deal with the Canadian who is courageous enough to invest his money in a real home industry. Of course, what will happen is hard to predict. My own opinion is that the woollen industry will be affected in the same way as the automobile industry, that is, the secondary part of our woollen manufacturing will be dependent wholly upon the United States and other countries for the primary products. It will also result in eliminating to a great extent our sheep industry. In short, the whole woollen industry of the Dominion will be very materially injured.

Mr. FORKE: Sheep are the best thing going.

Mr. BENNETT: We have lost only about thirty per cent.

Mr. FORKE: We have received the best price for wools this year, and during the last five years.

Mr. McGIBBON: Not due to the government's policy.

Mr. ANDERSON (Toronto): I have before me some statements concerning the iron and steel industry and a reference to them will show, by analogy, how the woollen industry is likely to be affected in the future. As a result of a highly improper method of dealing with the iron and steel industry in Canada, we find this enterprise to-day in a most unsatisfactory condition. This matter was referred to by the hon. member for St. Lawrence-St. George (Mr. Cahan) and I will not go over the same ground. But supplementing what he said I may quote from a paper on Iron Smelting and Steel Making in Canada, by F. W. Gray, taken from the publication Iron and Steel of Canada of January, 1928. This writer points out the effect upon different sections of the iron and steel industry of allowing a certain percentage of the manufactures in iron and steel,

in their earlier stages, to come into this country either free or under a low tariff. In 1920 the number of persons employed in the blast furnaces and steel mills of Canada totalled 13,874, who were receiving wages and salaries aggregating $22,824,530. These blast furnaces and steel mills are the parts of the factories that handle iron and steel in their earlier stages of manufacture. In 1926 the number of persons employed had dropped to 6,014, while the total wages and salaries paid out amounted to only $8,934,536. It will be seen that the number of employees was reduced by half while the wages and salaries paid out were more than cut in two. This meant a direct loss to the labour element of the country, both as regards the number of workmen employed and in the matter of wages paid. The secondary plants do not show so disastrous an effect. In 1920 the number of persons employed in secondary plants was 101,887 and the salaries and wages paid them amounted to $135,860,417. In 1926 the number of employees in these plants had declined to 75,400 while the aggregate of wages and salaries paid was $125,229,867.

What has happened in connection with iron and steel will also take place in the woollen industry. We shall find that the primary plants will dwindle if indeed they are not eliminated altogether, while the secondary plants will be face to face with serious competition from outside; and the only way I can see in which we shall be able to stave off disaster is to provide a reasonable and fair protective tariff which will give the home manufacturer a chance to cope with foreign competition. Something might occur some day whereby we should not be able to get from outside those parts of iron and steel construction that enter into secondary manufacture, and the same prospect faces the woollen industry. Let me quote from Mr. Gray:

> It is also fairly well established that the importation of these raw or semi-finished materials has been aided by lowering or complete omission of import duties in the most important instances of usage; but it is not true, as has been stated, that this favouring of importations from outside—so far as the products of blast furnaces and rolling mills are concerned—is required because of the inability of Canadian plants to furnish them. The record of idle blast furnaces, of unemployed men, and of declining production of primary products within Canada is sufficient proof to the contrary.

So far as I can see, this is the condition to which the woollen industry and possibly cottons will be reduced. Mr. Gray says further:

> The point now reached, and the question that the secondary steel industries in Canada must answer from their own viewpoint of supply, is whether the primary plants are to be further pressed into decline and eventual extinction, or whether, for the protection of the secondary industries per se, the remnant of the native blast furnace industry shall be kept alive. It is possible, of course, that a steel industry of sorts—

And this will be said of the woollen industry also—"a woollen industry of sorts."

> —can be built up in Canada entirely on imported materials. But such an industry will not be a Canadian industry, and it will cease to exist the day that importations of the primary products from outside cease. It would be a reflection upon the intelligence of iron and steel men in Canada to attempt further to emphasize the elementary necessity of blast furnaces, and rolling mills connected therewith, to any civilized country that essays to possess an iron and steel industry, and that desires to have a national status above that of a helot nation, or to be more than an appanage and vassal of nations that have realized the importance of iron and steel, and in doing so have achieved an independence in industrial affairs that is actual and not merely an unreality.

That is the condition to which the woollen industry and others will be reduced under this new proposal.

Something has been said in the subamendment in regard to the reduction in the income tax. This is a matter in regard to which I wholly disagree with my friends to the left. The income tax is levied only upon a very small part of our population. I took the trouble to-day to inquire of the income tax office as to the number of persons in Canada who have paid income tax in the last year. We have a population of 9,300,000 and the number of persons who paid income tax was 116,029, while the corporations that contributed numbered 5,777. In other words, a total of 121,806 individuals and corporations paid income tax. Now, the reason the number of taxpayers in this class is so small is the fact that only this number of persons and corporations in Canada receive incomes that exceed the amount of exemption—$3,500 and upwards, or whatever the figure is. Those who receive an income may fairly be asked to pay a tax to the country, in view of the benefits they derive from the general industry. When I say that, without making it unnecessarily personal I may also say that I happen to be one of those who pay income tax, and I am quite prepared to continue paying it. But when we consider that the reduction of the income tax affects only 121,806 entities in this country, individuals and corporations, and that the other 9,000,000 people do not have to contribute in any way, you can imagine to what extent a reduction in the income tax will benefit the people of Canada.

For my part I think the government are simply making a gesture of a political nature. Some people have described it as a tricky affair, and have said that it is being done for the purposes of propaganda, in order to secure votes in the future. At all events it is not helping the people generally at all. If the government had gone the whole distance in regard to the sales tax I would have quite agreed with them, although I believe on the whole the sales tax has been very fair because it affects everyone according to the amount purchased. It has been a very annoying tax, however, almost as much so as the stamp tax, which has since disappeared. The sales tax should be wiped out altogether if the government really have any disposition to assist the consumer. We hear a great deal about the government trying to do that. They say, "We are trying to help the consumer; we are reducing taxes of every character with that end in view." The tariff board have been asked to do work in this connection, but we have no report of what has been accomplished by that board. We do know, however, that an individual has been appearing before that board calling himself counsel for the consumers of the country. I do not know by whom he is engaged; he may be doing the work voluntarily out of the kindness of his heart, although I doubt it. He claims to represent the consumers, and that includes every person in the country, because we are all consumers. If the government are particularly desirous of doing so much for the consumer, why do they not start right in and cut off the sales tax which is imposed against our own manufacturers, and thus bring home their good intentions to every individual in the country? The amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan) asks that that tax be cancelled as of January 1, 1929. I believe the government might well agree to this, and if they did so they would be entitled to the credit of doing something for the whole of the people rather than helping only an infinitesimal number of them.

Referring back to the question of income tax, I find some interesting figures appearing in the Toronto Telegram of recent date. I do not refer to this paper very often, but immediately after the budget speech was delivered the Toronto Telegram published a compilation showing how the reduction in the income tax would affect the city of Toronto. And according to that statement I find that in the Toronto district there are about 25,000 individuals who pay income tax. That is interesting, as compared with the 116,000 who pay income tax throughout the whole Dominion; it would appear that Toronto is bearing its share of the burden. In addition to that, in that city there are about 2,000 corporations paying taxes. Sixty per cent of those who pay income tax in Toronto are in the class taxable on an income of $5,000 or under, and at the most their saving is only $3. Twenty per cent of the total includes those with incomes from $5,000 to $15,000, and the man with the latter income will save about $75. Ten per cent of that total represents incomes from $15,000 to $30,000, and at the latter figure the saving is about $350. Only ten per cent of this total have incomes in excess of $30,000. Then, at another place, it is shown that 30,000 people of those reporting have an income of less than $1,000; 5,500 people have incomes up to $2,000, and 2,500 people have incomes up to $3,000. That means that 38,000 people have incomes of $3,000 or less. The remainder of those reporting, numbering 5,570, have incomes ranging from $4,000 to $50,000. These figures are on the basis of the most recently available figures of the assessment department of the city of Toronto.

Mr. DEPUTY SPEAKER: I am sorry, but the hon. member's time has expired.

Mr. ANDERSON (Toronto): I regret that my time is up; I should have liked to make some remarks in regard to the public debt and the necessity of a sinking fund to meet it, but that is now impossible.

On motion of Mr. McMillan the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 23, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

First report of the select standing committee on agriculture and colonization.—Mr. Kay.

PRIVATE BILLS

FIRST READINGS

Bill No. 52, respecting the Canadian Pacific Railway Company.—Mr. Speakman.

Bill No. 53, respecting the Manitoba and North Western Railway Company of Canada. —Mr. McLean (Melfort).

TARIFF ADVISORY BOARD

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I desire to lay on the table the statement asked for on Tuesday the 21st instant by the hon. member for East Calgary (Mr. Adshead).

PRIVILEGE—MR. CAHAN

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, as a matter of privilege I wish to call attention to a statement which I made on the budget debate, and which has been the subject of some adverse criticism and also of some very gross misrepresentation. In opening that debate I spoke as follows:

I notice that on the very evening on which the Minister of Finance made his budget speech, another gentleman, who is very prominent indeed, or who wishes to be so, in the public life of this country, made a speech in the city of Montreal in which he claimed to himself and one or two of his associates the full responsibility, and corresponding gratitude of the public, for all the advantageous results which the Minister of Finance had noted. I do not know and I cannot judge from personal knowledge of the capacity of Sir Henry Thornton as an administrator of the railways of this country, but apparently he thinks that the Prime Minister, the Finance minister and the Minister of Railways are mere lunary satellites who become known to the public only when they stand in the reflected light of his great sun or star. But in this house we must look to the ministers of the government, who have assumed the responsibility of the administration of public affairs in Canada for a statement and explanation of their conduct in the administration of their respective offices, and I think the government and parliament and the people of this country would be better satisfied if Sir Henry Thornton would not so often obtrude himself into matters of which he has only a partial knowledge and no experience whatever.

Forty years ago I sat for some years as a member of the Press Gallery of this house, and therefore I appreciate the onerous duties and responsibilities of correspondents who sit in that gallery, upon whom the public rely for a fair statement of the proceedings of this house. So far as my experience goes, in the majority of cases, the fairness and accuracy with which these proceedings are reported does credit to the impartiality and competency of members of the press who sit in the gallery. But I find that the Ottawa correspondent of the London Advertiser, referring to the words which I have just quoted, sent the following report to his paper:

The outstanding feature of the speech delivered in the House of Commons this afternoon by C. H. Cahan, financial critic of the Conservative party, was a biting attack on the Canadian National Railways and Sir Henry Thornton, the president of the government-owned system.

[Mr. M. McLean.]

Some hon. MEMBERS: Hear, hear.

Mr. CAHAN: I remark this to the "hear, hears" of hon. gentlemen opposite, that there is not one statement in that entire speech which reflects discreditably upon either the national railways of Canada or upon the Minister of Railways (Mr. Dunning), who assumes the responsibility in this house for the administration thereof. Further, the correspondent of the London Advertiser proceeds:

Mr. Cahan was the official spokesman of the Conservative party, and presumably he uttered the opinions of the party as a whole when he attacked the national railways.

I think that is an unfair report of the proceedings of this house, and discreditable to the press representative who sent it to his paper, the London Advertiser. I notice also that the Ottawa Journal in dealing with these matters makes the suggestion to members on this side of the house that they should always keep quiet when they are likely to make statements which could possibly be misrepresented by the press correspondents of the house.

If that were carried out, Mr. Speaker, I am afraid the opposition would be entirely failing in the duties which it owes to parliament and to the public.

I would suggest to the right hon. the leader of the house (Mr. Mackenzie King), who in similar matters has had occasion to complain, that some measures should be taken to prevent utter misrepresentations of this character. It is well understood that the press correspondents are in the gallery only as a privilege which is due to the tolerance of this house, and unless we can have a fairer presentation of the proceedings to the public, it will be not only prejudicial to the house, as a house, but it will necessitate, I think, some measures being taken to prevent such misrepresentations being sent broadcast throughout the country.

PRIVILEGE—MR. FANSHER
EAST LAMBTON

Mr. B. W. FANSHER (East Lambton): Mr. Speaker, I rise to a question of privilege. Speaking yesterday in the budget debate I said, as reported at page 702 of Hansard:

The third year of that parliament the budget was brought down embodying substantial reductions on farm machinery and other lines, and that budget received the support of the Progressives.

That statement was challenged by the hon. Minister of Immigration (Mr. Forke), who said:

Half of the Progressives voted against it.

I have taken the trouble to look up the records of the house as recorded in Hansard, and I find that only one Progressive voted against that budget.

Mr. SPEAKER: Order. This is not a question of privilege.

SALE AND INSPECTION OF ROOT VEGETABLES

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 51, to regulate the sale and inspection of root vegetables.

He said: The purpose of the bill is to consolidate the root vegetables legislation of 1922 and such amendments thereto as may have been enacted since that date. No new principle is involved, the main departure being a provision for the establishment of an advisory board whose duty it will be to advise the minister of any new grades that may be required or of any modifications of old ones that may suggest themselves from time to time.

Motion agreed to and bill read the first time.

DIVORCE COURT FOR ONTARIO

Mr. A. N. SMITH (Stormont) moved for leave to introduce Bill No. 27, to provide in the province of Ontario for the dissolution and the annulment of marriage.

Mr. LAPOINTE: Explain.

Mr. SMITH (Stormont): The bill was introduced in the Senate and the object is to empower the Ontario courts to grant divorces in that province, instead of having such cases disposed of in the Senate as at present.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

DOMINION GOVERNMENT NOTES

Mr. SPENCER:

1. What amount of Dominion government notes were in circulation on the 31st December, 1927?
2. In what denominations were these issued?
3. How many were issued of each denomination?
4. Do any Dominion notes other than $1 and $2 circulate among the general public?
5. If so, what denominations, and to what extent?
6. What use is made of those not in public circulation?

Mr. ROBB:

1. $220,808,365.20.
2. 25c, $1, $2, $4, $5, $50, $500, $1,000, $5,000, $50,000.
3.

Denomination	Number in Circulation
25c	5,487,852
$1	19,841,844
$2	7,092,420
$4	8,189
$5	49,961
$50	15
$500	3,377
$1,000	4,328
$5,000	1,572
$50,000	3,425

4. Yes.
5.

Denomination	Outstanding December 31, 1927
25c	$ 1,371,963
$4	32,759
$5	249,807
$50	650
$500	1,688,500
$1,000	4,092,000

6. For legal tender between banks.

OTTAWA POST OFFICE

Mr. SENN:

1. Were tenders called for the demolition and salvage of the buildings west of the post office in the city of Ottawa?
2. If so, how many tenders were received, from whom and what amount in each case?
3. If tenders were not called for, what amount was received for the salvage of the buildings?
4. Was the work of demolition done by days' work?
5. If so, under whose direction and what were the conditions of employment?

Mr. ELLIOTT:

1. Yes.
2. (a) Seven.

(b)

Betcherman Iron & Metal Co., Ottawa	$8,311
L. O. Genest and R. J. McKenzie, Ottawa	7,600
E. and M. Goldstick, Toronto	4,650
York Wrecking Company, Toronto	3,850
Sachs Brothers, Ottawa	2,100
The Eastern Wrecking & Construction Company, Toronto	2,000
Russell Wrecking Company, Hurdman's Bridge	1,000

3 to 5. Answered by No. 2.

DREDGES AND SNAGBOATS ON FRASER RIVER

Mr. McQUARRIE:

1. Are the men employed on the Dominion government dredges and snagboats operating on the Fraser river out of the port of New Westminster, British Columbia, required to work 52½ hours per week?

2. After having worked these 52½ hours are they not required from time to time to act as watchmen, and remain on the boat the whole of the Sunday?

3. After having worked this Sunday, are they allowed one day off as compensation therefor?

4. If they are not allowed one day off for having worked the seventh day, why have not the provisions of order in council, P.C. 1537, dated September 7, 1925, granting all civil servants one day off in seven been complied with?

5. Do the men receive overtime pay for this Sunday work?

6. Was not this matter brought to the attention of the Deputy Minister of Public Works on July 24, 1927?

7. Will the minister see that the above order in council is enforced as soon as possible?

Mr. ELLIOTT:

1. Yes, 9½ hours during first five working days, 5 hours on Saturday, with Saturday afternoon off.

2. Yes, usually three or four of crew remain on board.

3. Yes, when conditions permit.

4. Answered by No. 3.

5. No.

6. Yes.

7. In cooperation with representatives of those interested the department is endeavouring to reach a solution of the question.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Wednesday, February 22, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. THOMAS McMILLAN (South Huron): Again we are assembled to discharge our duty as the servants of the Canadian people. Nature and a beneficent Providence have once more been exceedingly kind in their lavish bestowal of material gifts.

Some hon. MEMBERS: Louder.

Mr. SPEAKER: I must ask hon. members to refrain from conversation; I can hardly hear the speaker.

[Mr. Elliott.]

Mr. McMILLAN: The year of the diamond jubilee of this confederation will pass into history as one of the most favourable and prosperous in all our national life. As a consequence, the annual budget, as announced by the hon. Minister of Finance (Mr. Robb), in many respects displays a creditable financial record, with years of the most careful administration.

Why should his message not be optimistic? —with evidence of prosperity on every hand, with three successive good harvests behind us, with prices of cereals as well as live stock and live stock products at least fairly satisfactory, which has placed agriculture in such a situation as to be able at least to reflect good times upon almost every class and industry in the land, I might add, on almost all but its own.

This condition, together with a greater mineral production, a further increase of forestry products, more particularly the newsprint industry, has so strengthened our industrial and manufacturing life, that, no matter whether they depend on the farm, the forest or the mines for their raw material, they appear to be fully assured of a sufficiency thereof, and a satisfactory market for their product. With such conditions abounding, those engaged in almost every field of national endeavour, outside of the farm, seem more than ever convinced that Canada has now entered upon the most wonderful development in our history. That being so, is it not the first duty of the government to see to it that as far as humanly possible every phase of our national and productive life shall receive even-handed justice in their means and cost of production, thus enabling and compelling every line of effort to rely upon themselves and upon the ingenuity of their own resources, rather than upon government favours, for material success in their business. That cannot be done in a day or in a twelve-month. It takes time to effect a satisfactory readjustment.

With regard to the sub-amendment which has just been proposed, I must confess that since I have had the honour of a seat in this house I have been at a loss to conceive any good reason why my hon. friends should persist in segregating themselves in the south-east corner of the chamber. After listening to their latest declaration I am more than ever surprised at the unexplainable attitude which they assume. The sub-amendment shows clearly that the difference between them and us on this side is one merely of degree and not of principle, and I am sorry indeed to find that my good friend the hon.

member for East Lambton (Mr. Fansher) has placed himself in such a position. If my hon. friends would only drop local, sectional considerations—

Mr. GARLAND (Bow River): Do you call that local?

Mr. McMILLAN: —and view the situation from a national standpoint, there is not one syllable in the sub-amendment which should prevent them from standing with us and manifesting that broad-minded spirit of compromise which is so necessary to progress.

To the altogether admirable hon. member for Southeast Grey (Miss Macphail), allow me to say in this special year when she seems quite unable to make the necessary approaches to any one of the three bachelor leaders in this house, I extend an invitation to come across to us, and we will be pleased to show her the most desirable pathway that leads to the promised land.

Possibly before I get through I may give my hon. friends even stronger reasons for a difference with the government, but such a difference expressed by resolution would prove fatal to the national welfare. I would advise my hon. friends, and even plead with them, to realize that it is not what any great leader thinks ought to be done that it is always wise to attempt at the moment, but it is rather what step in advance can be taken and at the same time carrying your countrymen with you. That is the great secret of progress in a true democracy.

It is also gratifying to notice that the tariff advisory board is getting after its work in earnest. In many cases the facts elicited are indeed illuminating. They clearly reveal the information, well known to every student of tariff matters, that the present Canadian customs tariff is a structure whose revision in many particulars is long overdue. A number of applications have been received from those enjoying a protection of 30 per cent and over, who say they are selling their goods at the level of world market prices and taking no advantage of the tariff. If that is so, why the need of such protection? And yet the ghosts these men see are weird beyond belief. The manufacturers of enamelware, for instance, put in their story the fear of competition from Japan, and yet the total value of imports of enamelware from Japan in five years was only $214. In one of those years we actually imported six dollars' worth of enamelware from Japan. This constant fear of competition from countries of cheap labour is childish. No nation will ever become a great commercial nation without rich and varied mineral and other resources. Providence has blessed Canada with great natural wealth; we ought to become one of the greatest trading nations in the world, and the desire of the government and the people should be gradually to scale down all needless trade barriers and go forth to meet the open competition of the world. We watch our manufacturers as they push the sale of their products in the world's markets, and we are proud of them; we see them as they go out to conquer and, as they are conquering abroad. Why do they stand and shiver at the thought of meeting foreign competition at home? They are willing to fly their commercial flags in the markets of the world; why allow them to hang at half-mast in Canada? Why should our Canadian consumers be compelled to bear the additional burden? Why not get down gradually to a strictly revenue tariff?

From the cradle to the grave we have had preached to us, through the medium of this customs tariff, the gospel of our inferiority. Talk about an inferiority complex; the very thought of the thing is humiliating. It reminds me of the attitude of the British boot and shoe manufacturers about 1907 or 1908, when they appealed to the British government for protection against the American boot and shoe trade, saying there was such an inrush of American goods that they already had established American branch stores and were rapidly driving the British manufacturers of boots and shoes out of their own home market. Of course the British government gave to those people the only answer a British government could give, that it would never do to burden the whole British people to benefit a few boot and shoe makers. This compelled those manufacturers to turn their attention in another direction, so they renovated their dilapidated plants and brought them up to date. They also remodelled the styles of their footwear and brought them up to date, and what was the result? In less than three years they had driven almost every American boot and shoe out of the British market, and even the American branch shops were selling British made goods. Even before the war they began to successfully invade the Canadian and American markets with British made goods. Such would no doubt be the effect of a well-considered, substantial reduction of the Canadian customs tariff. It has been so in the past. It was eminently so in the case of the automobile tariff reduction, in the face of the great hue and cry which closed the Oshawa shops for the moment and sent a great deputation to Ottawa, many of whom got lost in Hull simply because they did not seem to know whether they were walking on terra firma or in the moon.

This customs tariff in its application has been in many ways a species of the most glaring economic injustice. Ever since my boyhood days it has hung like a millstone around the necks of a great majority of our people, and more particularly the agricultural and labouring classes. Surely it is a thousand times more important to the welfare of Canada that we should have a healthy and prosperous agriculture than that any other industry should be able through the medium of a high tariff to wring undue prices from the consuming public. More than that, we find many applications before the board even from manufacturers seeking a reduction of tariff on their raw material. They admit that tariffs add to their costs; scores of them have asked relief on their necessary requirements, and we can readily see that relief to manufacturers may also mean relief to consumers.

You may ask whether agriculture is not now prosperous. The answer is that agriculture is not as prosperous as it ought to be, nor as prosperous as it might easily be made. While some farmers do not make the effort which they might make, yet with the present economic handicaps and the clamour for an eight hour day, a half holiday in the middle of the week, and two or three weeks holidays in the middle of the summer which those in other lines of life are getting, no farmer can make a success on the farm, and those who are making it go are the ones who toil from sun to sun, and whose women's work is never done. The man and his good wife who pledge themselves to each other for life and decide to make their livelihood by dairying and allied lines are entitled to every just consideration by the government. I have sat in the homes of those who are recognized as our most successful farmers, and have discussed the situation with those high-minded wives and mothers, who with the keenest maternal feeling have recounted the experiences of their life's toil, saying that it seemed not so bad when they were young and strong but was now almost unbearable. They have repeatedly appealed to me to know if I really thought they should advise their sons and daughters to stick to the farm and repeat their own experiences in life. Yet, Sir, the lasting welfare of this country depends upon the principles that underlie agriculture. What do we see to-day? All over this country agriculture is losing the best and brainiest youths from our rural homes, and it is becoming impossible to replace them with suitable help. We talk about the problems of government. Sir, the greatest problem before this country to-day is the problem of keeping our own people on the farm, not of keeping them in Canada. We hear much from our friends opposite of the trek to the United States. Such remarks are very unpatriotic and largely beside the truth. The greatest trek in our history was between 1881 and 1891 when the national policy of protection was in the very height of its glory.

Mr. GARLAND (Bow River): It is pretty high still, is it not?

Mr. McMILLIAN: As I say, this is a problem which stares us in the face. No one seems to want to discuss it but the time has come when the people of this country, and more particularly their representatives in this house, ought to discuss this problem and find a remedy for it. This is a national situation. If we look upon ourselves merely as the creatures of a day, what difference does it need to make to us if conditions are never any better? It will only be a few years until we too are off the scene. If we are here for any good purpose we are here for the welfare of posterity, and we should endeavour to make the conditions under which they will live better than the conditions which we enjoy to-day.

Mr. GARLAND (Bow River): Your place is over here.

Mr. McMILLAN: You people should come to this side. Sitting where you are now you are only holding back the wheels of progress, whereas if you took your places here you would be able to help them on. As I say, this is a problem which is staring us in the face and we must grapple with it. The facts are that throughout this Dominion agriculture is losing the best and the brainiest young folks from our rural homes, and it cannot lose them and prosper. It is far from my view of life that every youth born on the farm should remain there. I have discussed this matter with scores of our brightest young men, and they tell me the only reason why they are directing their course elsewhere is because they cannot see a sufficient margin of profit easily obtained on the home farm. That has been the case for years. It was the case when a big deputation of farmers waited on the Laurier government in 1910, but it is greatly aggravated to-day. In looking over the proceedings of that deputation the other day I find I then made the following observation:

> The farmers are willing to meet any legitimate competition in the labour market of the country. He does not wish to underpay the workmen. His desire is to remunerate them well. But when he is compelled to face a statutory tariff provision which takes from him

annually a margin of millions, and those millions are employed in competing with him on his own home labour, he cannot stand an unjust competition such as that.

Those conditions are greatly intensified to-day. You may ask: Where are those millions of which you speak, obtained by our tariff beneficiaries with which they are able to compete for our agricultural labour? In a moment or two I will give you one concrete instance, but the reply broadly is that other lines of industry are able to obtain their necessary requirements either free or at the lowest possible rates of duty. Why should the agriculturists be deprived of the same privilege? Is the welfare of agriculture a matter of such secondary consideration in this country that it should be required to take a subordinate position?

Mr. GARLAND (Bow River): Why does not your party carry all that out?

Mr. McMILLAN: They are carrying it out—

Some hon. MEMBERS: Oh, oh.

Mr. McMILLAN: —and they have been doing so ever since they got into power. The only reason why the hon. member and his friends are sitting over there is because they are trying to find a place in the sun for themselves.

Some hon. MEMBERS: Oh, oh.

Mr. McMILLAN: And at every opportunity they try to hoodwink us if they can. The hon. member for Bow River tried to hoodwink me when he wanted the support of Ontario to the subsidizing of the railways in the matter of bringing coal from Alberta. When I did not yield to his request what did he do? He stood up in this house and complained that I should not be allowed to place figures on Hansard without reading them.

Some hon. MEMBERS: Oh, oh.

Mr. McMILLAN: Now, Sir, I say that agriculture is largely a domestic industry. But it is far more than that. It is the one great uncontaminated seed-bed of our population. In this respect there is no other situation in life to compare with it. Should that not count for something in the social welfare? As I say, farming is largely a domestic industry. Consider its requirements! Take agricultural implements, machinery, building materials, food, clothing and other household requirements. These comprise over 60 per cent of the needs of our agricultural life. Take the first of these—agricultural implements. They have not a high duty, only from 6 to 10 per cent. But I ask this question: Is it of more importance to the welfare of this country that the implement makers should be given a preference and allowed to make money and grow wealthy than that agriculture should so prosper that it would present a good living and comfortable homes to the millions for which it is looking? Sir, the question carries its own answer. We do not ask a preference, but if there is a preference going, agriculture should have that preference, and in no case should agriculture be discriminated against. Agriculture employs one-third of our gainfully employed population. Therefore it follows that a successful agriculture means a prosperous nation. Moreover, it is the first principle in this tariff that those manufactured goods which are exported to foreign countries are given a drawback equal to from 60 to 99 per cent of the duty on the raw material used. That provision gives to the residents of other countries our own goods cheaper than our own people can get them. Where is agriculture allowed any such equivalent? The agricultural industry is by far the greatest exporting agency we have got. Where is it allowed any drawback on its products exported? Absolutely none. The only way by which you can allow any such compensating advantage is to give to agriculture its necessary requirements free. And implements are only one of the hundred and one other things in the line of machinery which the farmer requires which all carry a tariff burden of from 20 to 35 per cent.

Turn to another line. Take paint. One would imagine the rate on paint would be low. Paint is a prime necessity in national economy. It is the rawest of raw materials. It enters or should enter into the construction of almost every building in the land. Yet the duty on white-lead ground in oil, which is the real basis of paints, is 37½ per cent among the highest of all ad valorem duties in the tariff schedule. One would think the manufacturers would stand hand in hand with the Consumers League in removing such anomalies. But they seem to fear the slightest touch upon that frail structure of protection.

Mr. GARDINER: What about the government?

Mr. McMILLAN: My hon. friend talks about the government. That talk is in line with their amendment. They want everything done to-day, and they will never get any further when they adopt that attitude.

Mr. GARLAND (Bow River): We want something done.

Mr. McMILLAN: It will be only a few years before my hon. friend will be no longer in the sun but will be in the shade. Let me say that protection as applied to trade and industry is a misnomer. Prevention is the proper term. Perhaps that is the reason why our hon. friends across the way dropped the word "protection" entirely at the Winnipeg convention, but every argument which is presented has that principle in ambush behind the shade.

Let us consider the cotton industry. That has already been placed before the house, but for the purpose of my argument I am going to place it again. The protection in Canada on manufactured cotton goods under the general tariff is not far from thirty per cent, and is sometimes more. Every time a Canadian workman buys a piece of cotton cloth in Canada he pays an exorbitant price as compared with the world price of those goods. Apparently, however, the cotton lords do not appear to think so. Their viewpoint was very clearly stated before the tariff board by that eminent Montreal lawyer, Mr. Aime Geoffrion, when he said in speaking of wages as a factor in the cost of production:

> As a matter of fact we deny the principle involved in the suggestion, if wages are to be considered, everything spent in Canada should be considered. In other words, all that is a factor. In deciding what should be the measure of protection, it can only be on the suggestion that there is money spent in Canada by which the consumer benefits. So, in that way, there is no distinction made between wages and salaries, purchases from local merchants, and any other expenditure in Canada.

In other words, the contention is that the people of Canada, the consumers, should provide the manufacturer of cotton goods with everything except his raw cotton. There is not other way we can do this than by paying an exorbitant price for our cotton goods. That is what we are doing now, and that we are doing it to the full limit of the tariff there is ample reason to believe. At the recent cotton hearing, the chairman pointed out that there was clear evidence that the manufacturers were in some cases taking full advantage of the tariff, and yet, according to their story, it is absolutely impossible for them to survive. Have they survived? Yes. Is the Canadian Cottons, Limited, doing well? This is their financial statement as summarized in the Financial Times:

> The balance sheet of Canadian Cottons, as of March 31, 1927, shows a surplus of $2,737,563 equivalent to over $100 a share on the 27,155 shares of common stock. In addition there is shown among their liabilities an item of $600,000 for special replacement reserve, despite a generous reserve for depreciation. If this sum was added to the surplus, the latter would be shown to be equal to $123 a share on the common stock.

Yet they would lead us to believe that they are going broke.

Let us consider the Dominion Textiles, Limited, the story of which company records some of the most remarkable adventures in Canadian financial and industrial history. The present owners paid $500,000 for stock with a par value of $5,000,000. Year after year they paid dividends on its par value. Then as the stock went up in price they gave to every holder of two shares the right to purchase an additional share at par when the stock was selling far above par. A year ago they split the stock in three; that is, every shareholder got three shares for one, and to-day that stock sells on the market for $130 a share. The company has a capitalized valuation of $29,000,000, and in all the years since it was formed only $3,000,000 has been paid for the stock. If we measure the profits paid to-day against the actual amount of cash paid by the original owners, we find the actual earnings of Dominion Textiles, Limited, to be in excess of 220 per cent. But that is not all. How fared this company in the hour of the nation's peril when it was expected that every citizen and more particularly every wealthy corporation should be doing everything possible to strengthen the allied cause? At page 362 of the evidence in the report of the special committee on the cost of living which sat in 1919, the then president admitted that the company earned a dividend of about 291 per cent. This is only one line of industry which has been considered and reported upon by the tariff advisory board, but the information is startling. Is it not time that a halt was being called on behalf of the consuming public of Canada to this kind of thing? In these lines of goods it would pay the Canadian consumer well to keep the extra margin which these cotton duties compel him to pay, with that margin pension every wage earner in those factories to the full extent of the wages they receive and let them go idle all the year, and they would still have a good surplus left.

In the case of agriculture employing one-third of our gainfully employed population, it follows that those engaged therein must bear a large part of that burden. Let us turn the tables for a moment or, as a schoolboy would say, "Turn about is fair play." Surely no one will contend that the cotton industry is of more importance than agriculture. How would it be if we now suggest paying the wage bill of those employed in agriculture, let alone an annual dividend of 291 per cent

of the cash price of the land? Would not that proposition, if carried into effect, "Make Farmer John a smile put on?" Why, the problem would be solved. You could not keep the people off the land.

I conclude by asking the same question which I put earlier in my remarks: Is it not a thousand times more important to the welfare of Canada that agriculture should be so prosperous that it would present a good living and comfortable homes to the millions for whom we are looking, than that any of these other industries should be able to grow wealthy at the expense of agriculture and the general consuming public? We have abundant economic proof that agriculture is not as prosperous as it ought to be? We are all agreed that at the moment we have, generally speaking, prosperous times in this country. Apart from the capital now in Canada seeking investment, foreign capital is rushing in by the hundreds and millions. Where is it being invested? We have just passed the new year, and we have noticed writers galore expatiating on the good times the country is enjoying and the fine opportunities for the investment of capital. Have you noticed anyone saying that capital, in large amounts is rushing in for profitable investment in our rich agricultural lands, the finest natural asset this country possesses. Yet that is where we all agree that more of our people ought to be and, moreover, if the people could see a sufficient margin easily obtainable, that is where they would be. You could not keep them off the farms; they would be falling over each other to get on the land.

If we are desirous of seeing more of our people on the land, why stand shivering on the brink of doing what ought to be done? The vital importance of successful agriculture is such that farming is far more than an industry. The significance of agriculture in the life of this nation is far deeper than this. Employing as it does about one-third of our gainfully employed population, it touches something really vital and fundamental in our national existence. It involves the continued national prosperity, the economic welfare, the racial character, and the social progress of the Canadian people. We must as a people determine, and it is the duty of this house as the servants of the people to determine, deliberately and wisely the role we wish to have agriculture play in our national economic life. Now is the time to decide. You cannot do this kind of thing during periods of dull times. You can do it only when times are prosperous and trade is buoyant. The golden opportunity has come, and it is the bounden duty of this government, now when it has begun the work, to take opportunity by the hand and go to it deliberately and wisely. If we wish to see agriculture thrive and prosper and present a good living and comfortable homes to the millions for whom we are looking, then free it from its present unjust economic restrictions. If this is not done, it may well be said that what is badly needed, not only throughout this country but in this house, is such a readjustment of national ideas as will place agriculture and its claims to the best intelligence and the highest skill of our people in the very forefront of national thought. When that reawakening is sufficiently emphatic—and God speed the day of such an awakening, that it may come ere the progeny of the noblest pioneers who ever settled any country have all deserted the farms—there will then be no more hastening away from the farm, but rather such a just conception of agriculture as our main resource and our most dignified and independent vocation as will attract to its just aim in the improvement of methods, the increase of yields, and in the clearing away of the unjust restrictions which lie across its path, the wisdom and the science and the willing hands of millions, who may then obtain a just remuneration for their labour, and at the same time hand on to posterity an unimpaired inheritance.

Mr. J. A. CLARK (Vancouver-Burrard): Mr. Speaker, though my remarks will be critical in their nature, I do not want it thought that I am not grateful to Providence for the bountiful crops which we have had during the past few years, nor that I am not extremely grateful for the influx of capital into this country as well as for the use of Canadian capital in developing our mines and our natural resources, nor that I am ungrateful also for the great energy displayed by our people in the development of those resources. I do not, however, admit that in the development of those resources this government has had any hand.

I cannot hope to analyze in detail the budget brought down by the Minister of Finance, but I must take note of a few of its salient features.

First of all, I would like to point to the method by which the Minister of Finance has arrived at his surplus. I see in the public accounts a certified statement by a firm of chartered accountants that the net debt of the Dominion does not include the issues of the Canadian National Railways guaranteed by this government. I find that those guaranteed issues have, since the present Minister of Finance took office, amounted to $200,000,000. True, $34,000,000 was in the nature of the

refunding of an indebtedness due by the Grand Trunk Pacific, which was not previously guaranteed by this country, and another $20,000,000 was for refunding of issues which were guaranteed; so that allowing $54,000,000 for refunding, there has been added to the indebtedness of this country by guarantees the sum of approximately $146,000,000.

Now the Minister of Finance over the same period claims a reduction in the net debt of the country of $105,000,000. Actually if those guarantees were added to the net debt of the country, as they should have been, we would find that there has been over the period during which the Minister of Finance has held office a deficit of some $45,000,000 to $50,000,000, which is not shown in the statement presented by the Minister of Finance this year or in any year since he took office.

I find also that since 1925 there appears to have been a reckless tendency on the part of this government to increase its expenditures. The public accounts disclose that for 1925 our total expenditures amounted to some $339,900,000. That sum increased in 1928, estimated, to $366,000,000, and taking the estimates for the current fiscal year, which are now before the house we find that that amount is still further increased to $373,796,000. If you allow $12,000,000 for supplementary estimates, a fair average, we find that the total expenditure for 1928-29 will be approximately $385,796,000—a total increase since 1925 in this country's expenditure of approximately $50,000,000. I do not think that members of this house can emphasize too strongly this fact, that there has been an increase of $50,000,000 in the country's expenditure in those four short years. And what have we to show for that increase?

I have heard it observed by speakers on the opposite side of the house that this is the people's budget. I suppose that we can assume that the farmers of this country form part of the people, yet what do we find in this budget that is of value to the farmers? I have read and reread this budget, and I have at last found that the Minister of Finance did not forget the farmers. I find an item which does relate to the farmers and which is supposed to benefit that great class, for whom the Minister of Finance must have very strong feelings because the item is the first one in the new schedules, reading:

> Small onion plants grown from seeds and imported for bona fide transplanting or propagation purposes.

These are put on the free list, and that is the one and only item in this budget which relates to the farmers of this country or is supposed to benefit them. The only conclusion to which I can come is that the Minister of Finance must be personally fond of onions, and I am wondering why he did not add pea soup.

I think we might also include among the people of this country the employed classes. I find that the family budget to-day is as high as it was five years ago; I am not so sure that it is not higher, but at any rate there has been no reduction in the cost of living since this government took office. But worse than that. In the manufacturing industries of this country there were in 1910, 515,203 employees in industrial establishments. Taking it by five year periods, I find that in 1915 there were 514,883 employees, and in 1920 that number had risen to 609,586. In case it may be thought that I am taking a peak year, I will give the figure for 1917, in which year there were 621,694 employees in the factories of this country. In 1924, the last year for which the figures are available, we find that in the industrial establishments of this country there were 508,503 employees, or some seven thousand less than in the year 1910. I ask the government, Does that indicate progress? There is this reduction despite the fact that we have in this country a new and great industry, the automobile industry, and its allied industries, such as the rubber industry and other new industries, which did not exist in 1910. Obviously, since this government took office it has destroyed many of our industries. The best evidence of that is to be seen in the empty factories throughout the country. But there are the figures. I asked the Bureau of Statistics for them, and I went back and had them rechecked to make sure that they were given on a comparative basis.

Furthermore, my friends on the left and the Minister of Finance also have emphasized another point—reduction in taxation, brought about by this so-called "people's budget". One of the big reductions we are told is in the income tax. I find that to-day the income tax affects only 116,000 of our people, or a little over one per cent of our total population, and they are the wealthy classes. Does that reduction in taxation indicate that this is a people's budget? Are the payers of income tax the common people that the Minister of Justice (Mr. Lapointe)—who, I presume, is now leading the government—was working to benefit when he assisted in bringing down these budget proposals? I see the Minister of Immigration (Mr. Forke)—not in his seat, but in the house; was he working for the common people when he put his imprimatur upon these budget proposals? How about the poor people who are affected by the sales

tax? True, the sales tax is reduced by one point, but it is still at the level at which the government found it when they took office. Our people are in the same position in relation to the sales tax as they were when the Liberal party took office, and it is high time that the sales tax was wiped out if the government desires to benefit the common people. The other great reduction in taxation that is claimed by our friends opposite has to do with the business profits tax. Two years ago this tax stood at 9 per cent; last year it was reduced to 8.1 per cent; to-day it is still further reduced to 8 per cent. Now, what does that mean? It means simply this. A business which made a profit of $10,000 last year paid a tax of $810; as a result of the budget proposals that business will get the advantage this year of the great reduction of $10—it will have to pay only $800 on its $10,000 profit.

One of the most noteworthy statements made by the Minister of Finance in his budget is this:

> The value of working for closer trade relations within the empire is surely apparent.

And he quotes these figures for the fiscal year 1927: our sales to the empire, $542,000,000; our purchases $214,000,000—a balance in our favour of $328,000,000. I agree with the Minister of Finance that it is worth while working for closer trade relations within the empire. But it would be amusing were it not tragic to analyze the way in which he has proceeded to work for these closer trade relations. During the time he has been in control of the Finance department he has made eight trade treaties, six with foreign countries. As a result of those eight trade treaties he reduced our favourable trade balance in the calendar year 1927 by $23,000,000 compared with the figures for the calendar year 1926. This seems to me like a hand-out to foreign countries, but that apparently is the policy of the minister and the policy of the government. It looks like a foreign improvement policy, rather than an attempt at working for closer and better trade relations within the empire.

Let us take these eight trade treaties and deal with them in order. Two of them are with British dominions, Australia and New Zealand. Let me take Australia first. In the calendar year 1927 our exports were $2,300,000 in round figures, less than in the previous calendar year; our imports were $1,200,000 more—or a decreased favourable trade balance of over three and a half million dollars. New Zealand: our exports for the calendar year 1927 were nearly $3,700,000 less than in 1926; our imports were $2,000,000 more—a decrease in our favourable trade balance of $5,700,000. Belgium: for the calendar year 1927 our exports decreased $3,400,000; our imports increased $1,200,000—a decrease in our favourable trade balance of $4,600,000. France: This is really the most illuminating of all, because if we go back to the time when the treaty came into force we shall find that we had a favourable trade balance of $7,000,000. For the calendar year 1927 we have a favourable trade balance changed into an unfavourable trade balance of seven and a half million dollars. In other words, in the calendar year 1927 we decreased our exports by $3,500,000; we increased our imports by $4,000,000—or an increased unfavourable trade balance of $7,500,000. British West Indies: The same story. The favourable trade balance for the calendar year 1926 of $715,000 is changed to an unfavourable trade balance of $1,500,000. Japan: We decreased our favourable balance by $8,668,000. With only two countries do we find that we have improved our trade—Italy and The Netherlands. With Italy we increased our favourable trade balance by $8,500,000. Let me point out to my friends to the left that that is represented mainly by the increase of $7,941,000 in our wheat exports for the calendar year 1927 as compared with 1926. That great increase was due to the failure of wheat shipments from Odessa. The same thing is true of The Netherlands. We increased our favourable trade balance by $660,000, but this is more than accounted for by the fact that we increased our wheat exports by $4,000,000, due again to the failure of wheat shipments from Odessa. The day is coming, I fear, when Russia will come back into the world's wheat markets. Only one thing is hindering the return of Russia into the wheat market of the world, and that is the lack of unity within that country, due to the fact that Russia is composed of more than two hundred races that cannot unite politically or economically. But should they ever be able to unite economically, think, Mr. Speaker, of the menace to this country in our foreign trade in wheat and other commodities.

But, sir, more serious than that, something which in my view transcends in importance every other problem that confronts Canada to-day, is the situation in regard to immigration. Here I challenge our Prime Minister (Mr. Mackenzie King) to point to any other five-year period in the history of the Dominion when the emigration of Canadians

to the United States or to any other country exceeded our immigration. Yet that is the situation in the period between the fiscal years March 31, 1922 and March 31, 1927. I have heard this sneered at by members on the other side, but according to the figures secured by myself from the Bureau of Statistics—

Mr. DUNNING: Of the United States?

Mr. CLARK: Yes; but does my hon. friend doubt the official figures compiled by the immigration department of the United States?

Mr. DUNNING: No, but I question your use of them.

Mr. CLARK: Do I infer that the Minister of Railways doubts that I am quoting them correctly?

Mr. DUNNING: No.

Mr. CLARK: Then the minister is indulging in empty talk. These figures show that 591,121 persons, including Newfoundlanders, entered the United States as immigrants in a given period. We can secure figures in regard to Newfoundlanders only for the last two years, but they would indicate that about 2,000 Newfoundlanders go to the United States per annum. Allowing, say, 7,000 for the previous three years—I am quite prepared to allow 10,000 Newfoundlanders, but let us say 7,000. We find that 11,257 fewer people came into the country than went out. I suppose the Minister of Railways will say, "But think of the returning Canadians!" I have heard the Prime Minister and every other minister on the other side say the same thing. But I took the precaution to get these figures from the Immigration department and I am not afraid to give them; I do not mind giving them. I would ask hon. gentlemen opposite, however, to recall that Canadians have been going to the United States since confederation, and while some of those may be among these returned Canadians they are not classed as immigrants. If they were once Canadians and they have come back they are not entered as immigrants, at least according to the information given me by the department. Last year, our Immigration department claims 42,078 came back from the United States. They are returning Canadians, and I fancy it would be very difficult to tell whether or not they are all Canadians who went to the United States as immigrants.

Now there was a time, only ten short years ago, when the blood of a Canadian was a matter of some consequence in this country. Canadians then took very much to heart, the tragic fate of our 60,000 dead who were laid to rest in the battlefields of France and Flanders, not to mention 50,000 permanently injured. It was freely predicted then that Canada could not stand the strain on her manhood but under this government, according to the official statistics of the United States, we have suffered nearly 800,000 casualties; and if the truth were known, including the underground route we have lost at least a million to the United States. And practically all these casualties sacrificed to the United States were native-born Canadians. But the greater tragedy is that they are in the United States competing with this country.

How are we replacing these Canadians? I further challenge our Prime Minister to point to any speech he has made in this house—and I have searched Hansard—or to any speech he has made in the country, or to any act on the part of this government, wherein this problem has been grappled with in a fair-minded, broad, constructive manner. All I can find in Hansard are empty statements that Canadians are returning, together with suggestions to the effect that members on this side of the house are unpatriotic in bringing the question to the attention of the country. Well, Mr. Speaker, if I am responsible for keeping one of these intending immigrants at home, I shall be content, providing I can influence the government to any extent in grappling with the question and endeavouring to keep our Canadians in this Dominion.

Let us see how this government has dealt with the question of replacing Canadians. I take the last fiscal year as an example; I presume that it must represent the policy of this government, though as a matter of fact no policy has been announced. However, I presume that these figures will indicate at least the desires of the government. The Minister of Railways laughs, as he usually does, but the fact is that last year was the one year since confederation when more foreigners entered this country than British and Americans combined. Is that something to laught at? Perhaps it is to the Minister of Railways, but to no other Canadian.

Mr. DUNNING: Mr. Speaker, I object to the remark; it is entirely uncalled for.

Mr. HANSON: It is not out of order.

Mr. DUNNING: Many dirty remarks can be made which are not out of order.

Mr. CLARK: If the Minister of Railways will contain himself and not smile at such tragic things confronting Canada these remarks will not be made.

Mr. DUNNING: I am not smiling at any tragedy but at my hon. friend. I am at liberty to smile at him.

Mr. CLARK: And I am at liberty to interpret my hon. friend's smile.

Mr. DUNNING: That is right.

Mr. CLARK: Now I will give a few of the figures. I find that of English people—I am not going to consider every race, but I take the English because there are more English than other British races—24,890 came into Canada. There were 15,222 of German origin, and of these 12,540 came from Germany and 2,682 from the United States. I find that there were 4,863 Jewish, 3,466 Italians, 4,941 Magyars, 6,700 Poles, 10,061 Ruthenians, and so forth. I will not go through the whole list. I want to say at once that I am not reflecting upon these people; they are in all probability the most admirable of their race that can be found. I repeat, I am not reflecting upon them. I suggest, however, that if you mix, as are mixed in Russia, all the races of the world, you cannot expect that unity which we all desire. It cannot be achieved under such conditions; it would take generations to assimilate these people into anything like a united whole. That is why I refer to this aspect of the question. And now let me give a list of others who entered the country last year. There were Albanians, Austrians, Bohemians, Bulgarians, Croations, Czechs, Dalmatians, Esthonians, Finnish, Greeks, Italians, Jews, Jugo-Slavs, Letts, Lithuanians, Magyars, Maltese, Mexicans, Moravians, Poles, Portuguese, Rumanians, Russians, Ruthenians, Serbs, Slovaks, Spaniards, Turks, Arabians, Armenians, Chinese, Japanese, Negroes, Persians, and Syrians.

Mr. FORKE: You have left out the Scandinavian races.

Mr. CLARK: I said I would not name them all.

Mr. FORKE: You left out the best ones.

Mr. CLARK: Perhaps I did; I am quite in agreement with the Minister of Immigration. There are no immigrants more admirable than the Scandinavians, with the exception of the British. I am not reflecting on any of these people; I am only pointing out the danger of bringing in too many of them when we have another country to which we can look.

I have heard it freely said that you cannot get the British immigrants here. Just let us see what the Australians have done; I will just give you the total number of British immigrants into Australia year by year.

1920	86,116
1921	76,674
1922	80,278
1923	80,926
1924	84,252
1925	82,662
1926	90,562

The figures for 1927 are not available, but at all events over 90 per cent of the total immigration into Australia has been British. I point to this as an answer to the statement which has been made that we cannot get British immigrants.

Mr. DUNNING: Did Australia have a greater British immigration than Canada during those years?

Mr. CLARK: Yes, much greater. Let me quote the figures for the same years, showing the immigration of British settlers into Canada:

1920	59,603
1921	74,262
1922	39,020
1923	34,508
1924	72,919
1925	53,178
1926	37,030
1927	49,784

Now, what is the irresistible conclusion to be drawn from these figures and from the exodus to the United States? There is only one conclusion, and that is the racial complexion of the Canadian people is changing, and changing at such an alarming rate that we cannot stand very many more years of it if we are to remain an Anglo-Saxon and French race. I wonder if this situation appeals to my hon. friends from Quebec; I do not think it does. I firmly believe that they appreciate the fact that the Anglo-Saxon has been the fairest, truest and most broad-minded friend the French have ever had, and I really believe in the heart of every French-Canadian is the desire that, apart from the French-Canadians themselves, the Anglo-Saxon shall be predominant. I do not think there are many in the province of Quebec, I doubt if there would be a handful, who would follow the hon. member for Labelle (Mr. Bourassa), who says that if we want to bring about secession in this country we should bring in the British as immigrants. No, Mr. Speaker, there are not many of that type, because it has been too lately proven on the battlefields of France that the British race is most versatile and adaptable and possesses the greatest power of endurance, much greater than that required by immigrants into this country. The British adapted themselves to circumstances previously unknown, and proved themselves to be the

best on earth. Let me recall the statement made by Marshal Foch, who said that it was the "hammer blows of the British army" which won the war, or words to that effect. They are the men, Mr. Speaker, who, it is sometimes suggested, are not fit to be immigrants to this country. No man can convince fair minded Canadians that the average Britisher is not loyal to the empire, that he does not understand the principles of British fair play or that he is not three generations ahead of every other available immigrant in suitability as a prospective citizen of this country.

In addition to that, Mr. Speaker, when the Britisher comes here he stays with us. I recall the figures placed on Hansard two or three years ago by the member for Victoria (Mr. Tolmie), which have never been controverted and as to which there has been no suggestion of inaccuracy. Those figures covered the period from 1900 to 1921, and of the various races entering this country we find that 77 per cent of the American born left while 23 per cent remained; 52 per cent of the foreigners left and 48 per cent remained, while only 36 per cent of the British left and 64 per cent remained. Surely these facts indicate the suitability of the British immigration and that we can and should attempt to secure them.

Now, Mr. Speaker, I appeal to this government to adopt the policy of the Australian government. I appeal to our Prime Minister to forget his constitutional theories, and with all the sincerity in my soul I ask him to go to the next Imperial conference determined to take a leading part, and to sit down with the representatives of the British government and ascertain whether there is not something that can be done to bring about a much greater British immigration to this Dominion, and to all the British dominions, for that matter. Furthermore, I appeal to him to promote those trade relations to which the Minister of Finance referred, by every means, to see if we cannot band together this British empire into an economic entity which will set an example to the world at large.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, I was very much interested in the statements made by the hon. member for East Lambton (Mr. Fansher) yesterday, more especially as he seemed to base most of his remarks on the Liberal platform of 1919. He stated that he stood by that platform, and as one of the Labour party who has perhaps been suspected of being somewhat more favourable to the Liberals than to the other party I felt that I was not quite so lonesome after the hon. gentleman laid the foundation for what he said on the Liberal platform of 1919. I am not ashamed to say that I do adhere to the Liberal policies. In fact my leader has on more than one occasion seen fit to introduce me to some of his friends in this peculiar phraseology of his: Allow me to introduce to you my Liberal-Labour friend, or what would be called in the old country a Lib-Lab. So that I propose to discuss this question this afternoon from a Liberal standpoint. I am not ashamed of Liberal policies, but I am ashamed of Liberal practices. During the years when I sat close to Doctor Clark, who was perhaps one of the ablest exponents of free trade and Liberalism that this country has ever seen, nothing was greater gall and wormwood to me, and to others in our district, than to have the hon. member for West Calgary (Mr. Bennett) come to our meetings and very truthfully tell us that for years and years the Liberal party had been urging the lowering of the tariff, but when they had the opportunity they only lowered it about one-tenth of one per cent on the whole. Last year I think I made the remark that in 1911 those who believed so strongly in protection had crucified Sir Wilfrid Laurier on the cross of protection. To-day it is obvious that another crucifixion is taking place which is even more important, and that is the crucifixion of Liberal principles.

A great deal was said in the budget speech about our expenditures, and there were many references to the annual financial statement in regard to our prosperity. I am very glad to be able to congratulate the Minister of Finance (Mr. Robb) upon his ability to meet those expenditures and still have a surplus. I am not going to attack the budget to-day along that particular line. I am critical not so much of the surplus on hand, but of the steps which are being taken to meet our obligations. That I think is the crux of the situation, and that is the point I intend to deal with in my address. There has been a great deal of attack upon the income tax. I have received protests against the income tax from the retailers' association, and others, and one of the salient arguments advanced was this: If the income tax were abolished we should be able to put more money into industry. That is quite true. If all taxes were abolished I am quite sure we should be able to put more money into industry. I should be very glad to see all my taxes abolished because I should be able to engage in business to a greater extent than I am able to at present. I do not, however, see that as any particular argument. We must get money

from somewhere to meet our obligations and the question is, where is that money to come from? It is upon the subject of this diminishing income tax, and the promise of still further reduction in that taxation, that I propose to make a few remarks, and I hope not to take forty minutes. Perhaps if we turn to what other countries are doing in this matter we may be able to form some idea as to where Canada stands. I hold here a statement made by an expert in financial affairs, to the following effect:

In England 45 per cent of the total revenue —an enormous sum—comes from inheritance and income taxes—including the super taxes. Sixty-four per cent of American tax revenues are from income tax—in Canada less than 14 per cent. The groans of those who bear this burden, much of it falling upon war profits, have melted the heart of the Minister of Finance. There is a 10 per cent reduction in income tax and, on balance, practically nothing in tariff reductions. There is also the definite warning that unless Liberalism asserts itself the income tax will disappear within a few years and wealth untaxed rule the roost. We have heard for a long period of time the contention that the tariff could not be lowered. We have been told that the necessities of the revenue prevented such action. We see now the hollowness of the argument. We have in the income tax a steady and unfailing source of revenue. Year after year it has been cut. In 1927 it brought to the government coffers over $48,000,000. It has proved itself in England and the United States the backbone of an efficient system of taxation. There is no justification for its reduction to-day. To reduce the income tax while the tariff remains as it is, is a budget decision which will meet with scant approval from forward looking people throughout Canada.

That is the opinion of an expert in taxation matters. However, I think we ought to go back to an earlier date than that of this statement. I took occasion the other day to read the addresses of those hon. gentlemen in the Liberal ranks who supported the income tax when it was inaugurated in 1917. I notice that Sir Wilfrid Laurier, the late Mr. Carvell, and Mr. A. K. Maclean, of Halifax, supported the proposal. I also note that you yourself, Mr. Speaker, made a very eloquent appeal in favour of the income tax on that memorable day, July 25, 1917. I propose to read to the house the opinions of Liberals upon the subject of income tax when that form of taxation was brought into force. On page 3767 of Hansard of 1917, I find the following remarks by Mr. Maclean:

One great value of this form of taxation will be that the taxpayer will take a greater interest in the expenditure of any money which he contributes directly to the public treasury. One of the evil effects of indirect taxation is that the taxpayer is apparently never fully seized of the fact that he is contributing anything in taxation to the public treasury. . . . It is in the interest of sound national finance that we should have in this country some form of income taxation, and I have no doubt that once we have embarked upon it, the judgment of the country will be that it should be continued for many years to come.

He went on and said that if the country feared that the income tax would impede immigration such a fear could be easily removed by lowering the rate of customs duty which was excessive. I maintain that that is exactly the position which we in this corner of the house take. That was the position of the old Liberal opposition, but it appears to me that the Liberals have forsaken that policy and are decreasing the income tax but not lowering the tariff. Then too, Mr. Carvell, at page 3770 of Hansard of the same year, said that the income tax had become an institution in Canada. He added:

I was glad the minister did not state he would abolish it at the close of the war. It will never be abolished, because the good sense of the people of Canada will see it is kept in effect for all time.

In spite of these declarations by Liberals we find the present Finance minister declaring in the budget speech that he is not only reducing the income tax 20 per cent but proposes to pursue a policy by which the income tax will be by degrees eliminated entirely. The hon. gentleman who now occupies the position of Speaker of this house supported the income tax in these words:

I warned my hon. friend a year and a half ago when he introduced his business profits tax that he would yet have to come to the income tax, which of all taxation measures is the most natural and fairest. According to the best authorities, such as Adam Smith and Thiers, the income tax is the least objectionable of all systems of taxation, because it makes no distinction as between the taxpayers.

Then further he says:

In spite of the hopes of my hon. friend, bright as he thinks they are, I really believe that the income tax has to-day entered into the politico-economic system of Canada, to stay there for many generations.

Those, Mr. Speaker, are the opinions, the policies, of those old-time Liberals, shall I say, who stuck to Liberal policies, Liberal principles and did not do as Goldsmith, I think, said:

Unskilful he to fawn, or seek for power,
By doctrines fashioned to the varying hour.

By those old Liberals, by those who stuck to Liberal principles and voted for them, the income tax was thought and said to be a sound economic Liberal principle, and it was expressly stated by them that reductions, if they

ever did take place, should take place not in the income tax but in the customs duties.

But I go still further. I notice that the Minister of Finance in addressing the interprovincial conference made some rather startling statements directly in connection with the question of the public debt and the income tax. On November 9, the Minister of Finance was discussing in the interprovincial conference the debt of Canada, and this is a precis of what he said:

> The minister took the conference into his confidence with respect to the war debt which to-day amounts to $1,694,621,687 with an annual cost of carrying including fixed charges of $162,799,000. The special taxes imposed for the purposes of carrying this burden failed to meet it by the sum of over $6,000,000. The minister stated that out of the total cost of administering Canada, its railways, its canals, subsidies, etc., paid out since confederation, 36 per cent represented the cost of Canada in the war.

He went on further:

> There had been nothing to do but to impose new taxes or to repudiate the debt.

Prior to the Minister of Finance suggesting or mentioning repudiation of debt at the interprovincial conference, the only mention I notice made of repudiation was in 1917. It must be borne in mind that the income tax was imposed for one purpose, namely, to pay the war debt, and it was to be left on until the war debt was paid. When the Minister of Finance states that he must seek for new taxes in order to meet those debts, I do not know wherein he is consistent when now he wants to abolish a tax which was inaugurated for the purpose of meeting the war debt. He goes on further and this statement of his is still more extraordinary:

> The minister stated that Canada was faced with the following maturities: 1928, $53,000,000; 1929, $60,000,000; 1930, $20,000,000; 1931, $77,000,000; and 1932, $73,000,000. He hoped that if revenues were maintained and the country continued to grow to materially reduce, if not retire all these obligations. The great difficulty came however in 1933 when the sum of $446,000,000 came due, and in 1934 when the sum of $535,000,000 came due. . . .
>
> Coming to the much disputed question of the income tax, Mr. Robb dealt with the contention that it was opposed to the spirit of the British North America Act because it was an invasion of the direct field of taxation.

But this is the point. In face of all the statements made by those worthies of old who inaugurated the income tax for the express purpose of meeting the war debt and of the Minister of Finance himself acknowledging that the obligations which matured increased year by year and that in 1933 and 1934 the obligations which matured were so great that he hardly knew how to meet them, except, as he stated, by imposing new taxes —in the face of all that, he deliberately, against the policy of the Liberal party, attempts not only to reduce the income tax by 20 per cent to-day but to continue reducing that very measure which was introduced into the house for the purpose of meeting war obligations.

How will these obligations be met if the income tax is wiped out by 1934? There is only one other way of meeting them and that is by means of customs duties, although the Liberal policy, as stated, proclaimed by the Liberal party, states that the income tax should be retained and that if any reductions are to take place they should take place not in the income tax but in the tariff. The minister made the further statement that we should not forget that in connection with the national debt the generation which spent the money should not shirk its responsibilities. In view of what I have stated; in view of what the policy of the Liberal party was when the income tax was inaugurated, and in view of the declarations of Liberal leaders that if there is any shirking of the payment of those obligations, I maintain the responsibility lies with those who have the most money with which to pay them, and that the burden should not be placed, as it is under the customs tariff, on the consumer who is the least able to bear it.

Having put forward that argument, I make the plea that the income tax should not be reduced and that, if there is a way out without endangering the government or lowering its dignity, the 10 per cent which has been taken off should in some way be restored. It was with a heavy heart I heard the Minister of Finance declare that he was going to reduce the income tax by another 10 per cent, and that further reductions were going to be made, especially when I knew that this was contrary to true Liberal principles and to the ideals of those people who inaugurated the tax and supported it for the express purpose of meeting war debts and obligations. If the income tax had not been touched, speaking for nobody but myself, I should have seen my way to support the budget; but I feel, with the giving up of the absolute principles of Liberalism, I cannot support the budget and I must support the subamendment of the hon. member for East Lambton (Mr. Fansher).

Perhaps the Minister of Finance will consider the suggestion that in the committee he might add that 10 per cent on again, even if he distributes it to the provinces. The provinces claimed in the interprovincial conference that the income tax, being direct taxation,

belongs to them. The British North America Act however states that the federal government has a perfect right to enter any field of taxation it may desire. I believe there is a way out and moreover I feel convinced, if we really knew just the hearts and minds of my hon. friends opposite, there is a good deal of misgiving among those who may support the budget, that Liberal principles are being sacrificed, and the reduction in the income tax is not at all to their liking. They are perhaps in the unfortunate position of having to vote for something they do not like rather than embarrass the government, or would they rather embarrass the government and stand by their principles? I should not like to see the government turned out. It is unfortunate that sometimes we have to choose between one of two things, between violating our conscience and embarrassing the government, and sometimes as the lesser of the two evils we violate our conscience. In view of the fact that a 10 per cent reduction took place in the income tax last year, against which we protested strongly and moved an amendment which should have served as a warning to the government that such a practice would not be countenanced again so far as we were concerned, and knowing as I do the hearts and minds of the people of my constituency, the people of the Labour party, if you will, and all who are true Liberals, and who have expressed their opposition to any further reduction in the income tax, I feel that I should not be doing my duty to my conscience and towards my constituents if I did not oppose as strongly as I can this reduction.

I am sorry the Minister of Finance is not in his seat at the moment. The Minister of Railways was in the house a few minutes ago, but has gone out. I know that we back-benchers do not command very much attention, although we do get on Hansard. I am sorry the Minister of Finance is not here because I wish to refer to a statement that he made in Calgary last year. It was such an extraordinary statement that I took it up not only with my Labour friends but with my Liberal friends as well, and they were astonished because the minister's statement indicated to them, as it did to me, the attitude of the minister and his viewpoint on the income tax and incorporation tax. He made the statement that the reduction in the tax had saved to the corporations of this country $30,000,000, and went on to say that that $30,000,00 would no doubt gradually sift down right through to the man at the bottom. Unfortunately, that seems to be directly contrary both to Liberal principles and the actual facts of the case. Mr. Bryan in that excellent book of his, The Crown of Thorns and Cross of Gold, made the statement that there were two methods of distributing wealth: One was that it should gradually sift down from the top to the person below, and the other was that it should go from the producers upwards until it reached those at the very top. It is evident that the latter way was the one the Liberals had in mind, whether or not that is their idea now, that the primary producers should first receive their share of the wealth they produce. But now we have the Minister of Finance say that the reduction he had made in the tax had saved the corporations $30,000,000, which would no doubt sift down to the man below.

Dealing with the tariff for a few moments, I was very glad to hear the excellent speech this afternoon of my hon. friend from South Huron (Mr. McMillan). He asked us why we did not go and sit over on that side of the house. We might equally well ask him why he does not sit over here. It does not matter where we sit; it is the principle we are supporting that matters. I assure him that if the gentlemen on his side will make a serious attempt to persuade the government of the necessity of putting Liberal policies into practice, he will receive all the support that it is possible for this section of the house to give, but he will not receive that support if the government simply go on year after year professing what we have heard to-day and for the last thirty years: Oh, these things cannot be done in a day; they must be done gradually! I heard that story, Mr. Speaker, thirty years ago in the province of Alberta, and we are still hearing it to-day. I say that action is necessary, that mere playing with the thing is not going to satisfy the members either of the Liberal party or those who sit over here. When I look over at that side of the house I see Liberals, Liberal-Progressives, Progressives, and in this section of the house Progressive and Labour. Why Progressives over there? Why do they not do as the hon. member for South Huron suggested, join up with the Liberal party? It was just because of the facts I have cited that the Progressives ceded from the Liberals because they felt in their hearts that the Liberal party was not carrying out their policies, and they wanted to see those policies carried out and brought to maturity. That is the reason why my friends over there called themselves Progressives, and that is why they do go so far even as not to attend the Liberal caucus.

Mr. Ewart, a gentleman well known in the city of Ottawa, made a very pertinent statement about the tariff, pertinent because true. He said that the Conservatives swore by the tariff, but were afraid to raise it, and the Liberals swore at the tariff, but were afraid to reduce it. I think that is a very true statement when we remember how few reductions have been made in the tariff since 1896, and since this government came into power the reductions have been almost infinitesimal.

I have not been able to examine all the new tariff schedules, but I have the opinion of the adviser of the Consumers' League, and he does not seem to be very favourably disposed towards the present tariff proposals of the government. He says that the general opinion is that there is a revision downward, but that that is a matter which can only be determined by careful investigation. But this much is certain; there are changes upward, and there are changes downward. In some cases a higher rate of duty is charged on the higher priced product, the rate remaining unchanged on the medium priced article, and on the lower priced article the duty is lowered. The schedules in the intermediate tariff under which practically nothing enters the country are lowered materially, but the schedules under which importation takes place are only slightly reduced. This, Mr. Speaker, is not tariff adjustment; it is tariff legerdemain.

As regards the British preference, although you have increased the British preference by 50 per cent, you have stipulated that at least 50 per cent of the product must represent empire labour and material. The cotton manufacturers of my native city of Manchester import nearly 30 per cent of the cotton products from the United States. Nearly all their cotton is imported from the United States and is manufactured in Manchester and the neighbouring towns. But if this 50 per cent provision as to empire labour and material is to be applied, their product will not be able to come in under the British preference, and will have to come in under the general tariff and pay a duty of 30 per cent. That would wipe out the British preference so far as cotton is concerned, and simply give added protection to the cotton manufacturers of Canada.

We have been told that this country is very prosperous. I agree that we are more prosperous than we were, but there has never been a time in the history of Canada when somebody was not prosperous. In our darkest hour in 1918, the Dominion Textile Company, which will benefit under these cotton schedules, earned 291 per cent while our boys were dying in Flanders. They were prosperous. Sir Charles Ross was prosperous when afterwards, if I remember aright, he was voted two million dollars in lieu of the profits that he might have made. Surely he was prosperous. I say there never has been a time, however dark nationally, when somebody in this country was not prosperous. But the idea of prosperity is not that it should be allotted to three or four or even twenty; true prosperity prevails only when it is spread among all classes so that even in the humblest shack of a settler in the far-away constituency of my friend from Peace River (Mr. Kennedy) its influence may be felt. And that, Mr. Speaker, is our idea of prosperity.

I do hope the government will see the folly of still reducing the income tax. I do hope they will realize that it is contrary—if I may recapitulate—to the declared principles of those great Liberal worthies whom hon. gentlemen opposite hold up as models of statesmanship—the late Sir Wilfrid Laurier, Mr. A. K. Maclean, the late Mr. Frank Carvell, and even Your Honour before you were called to the chair. All these influential leaders of the great Liberal party advocated the imposition of the income tax as a means to pay off the war debt. And yet the government have abandoned those principles and reduced the income tax. What evil influence persuaded the Minister of Finance to take this course I know not, but I sincerely hope that some means will be found by which Liberal consciences, Liberal-Progressive consciences and our own may be satisfied, so that we can support the budget; in other words, I do hope that the government will maintain the income tax without change and thus put into practice Liberal policies and honour Liberal principles.

Mr. H. A. STEWART (Leeds): Mr. Speaker, the member for East Calgary (Mr. Adshead), who has just taken his seat, will, I am sure, excuse me if in my limited time I do not attempt to answer in detail the propositions which he has outlined in his interesting speech. But he asked one question which must have occurred to many other hon. members and to the people generally, and perhaps after he has been in this house longer he will become accustomed to the repudiations of policy, the violations of pledges and the inconsistencies he has pointed out in the record of the government. These departures from the often declared principles of the Liberal party can be explained only on the assumption that the conflicting views held by the members of the cabinet and by their supporters in this house cancelled one another, with the result that we do not get

vigorous action on any line of policy; we do not get fulfilment of any of the pledges that have been given by the government in the past.

Now, Mr. Speaker, the budget is, of course, a review of the financial affairs of the Dominion for the past year. We take revenue and expenditure, assets and liabilities, and we analyze as far as we can the situation from that standpoint. In surveying our assets we must not overlook one of outstanding importance, our Canadian National railways, an organization that is extending its usefulness, improving its services and very materially bettering its financial condition as the years go by. That is a situation which must afford great satisfaction to the house and to the country at large. If we endeavour to analyze the causes of these results, I think we may fairly divide them in the proportion of about fifty-fifty between the able management that that organization has had under Sir Henry Thornton, and the loyal support and cooperation which he has secured from the large army of employees of that vast system. These two influences have resulted in increasing the revenue, decreasing the operating expenses, and leaving a very substantial surplus—a surplus that is continually growing larger and larger.

Some criticism has been directed against the Minister of Finance (Mr. Robb) for the way in which he has dealt with the financial obligations of the Canadian National Railways, or perhaps, more properly, I should say the financial obligations of Canada in relation to the Canadian National Railways; because, after all, Mr. Speaker, we own this great railway system, and its debts in the last analysis are therefore the debts of Canada. The member for St. Lawrence-St. George (Mr. Cahan) pointed out that if we took into consideration the financial obligations of the Canadian National Railways we would find that not only had we not decreased our national debt in the last few years, but that on the contrary it had been increased. In this connection it may be interesting to refer to the budget debate in the session of 1923, when the Right Hon. Mr. Fielding was finance minister. He had to deal with the indebtedness of the Canadian National Railways, and in Hansard for that year we find that in the course of his budget speech he said in relation to the Canadian National Railways:

> We turn now to the year 1922-23, which closed not many days ago. We have not the complete accounts before us, but there is sufficient information to enable us practically to announce the result. Ordinary revenue amounted to $393,619,000. These are estimates, as the figures are not absolutely final. Ordinary expenditure amounted to about $331,780,000. As between those two items, there was then a surplus of $61,839,000. Capital expenditure, however, represents $14,500,000; adjustment of war claims, $6,700,000; cost of loan flotations, $3,050,000; these representing in all $24,250,000. There was thus a surplus over ordinary, capital and special expenditures, of $37,589,000. But again the railways have to be taken into account. We had to advance during that year $92,190,000 for railways, and $6,060,720 for the Canadian Government Merchant Marine, making in all for that charge, $98,250,720. This, of course, takes up all the surplus I have mentioned and leaves a large balance on the other side of the account. If we take everything into consideration for the year, the net result was that we added to the public debt in the year just closed $49,293,086. The receipt of something over $8,000,000 from the British government on exchange account helped us to keep down what otherwise would have been a larger addition to the public debt.
>
> The addition of nearly $50,000,000 to our public debt in the past year is not a situation that should cause very much satisfaction in any quarter.

That was the way Mr. Fielding reviewed the situation. In the following year we find the present Minister of Finance (Mr. Robb) adopting an altogether different course. I quote from Hansard:

> Turning now to the public debt. On March 31, 1923, our net public debt stood at $2,453,776,868.74. Our estimated ordinary revenue for the year just closed is $396,000,000. Our estimated ordinary expenditures of $328,250,000, and capital expenditures $12,170,000; special expenditures $8,390,000; railway loans $23,781,664; Canadian government merchant marine loans $1,500,000, and loans to Quebec Harbour Commission, which are treated as a non-active asset, $500,000, together with an amount of $621,987 carried on the books of the department for Victoria Shipowners, Limited, which it is proposed to treat as a non-active asset in the place of an active asset as heretofore, make the total charges $375,213,651. Our surplus of ordinary revenue over these expenditures will therefore be $20,786,349 to be applied towards the reduction of the national debt as it stood on March 31, 1923. To this must be added $1,317,000, being the amount of sundry outstanding indebtedness cancelled during the past year, and a further amount of $8,305,760.37 received in settlement of an adjustment of acknowledged book debts between the imperial and the dominion governments. These two amounts, totalling $9,622,760.37, together with the $20,786,349 surplus of revenue over total expenditures, reduce our net public debt as of March 31, 1923, by the amount of $30,409,109.37.

These figures show that with a revenue of $393,000,000 odd, and taking into consideration the situation of the Canadian National Railways, the Right Hon. Mr. Fielding found that the debt of Canada was increased by $50,000,000, while his successor, the present Minister of Finance, with a revenue of $396,000,000, almost the same, finds that our pub-

lic debt is reduced by about $30,000,000. It is perfectly clear that these two gentlemen have adopted different methods of procedure in dealing with the revenues of Canada and the expenditures and obligations of the Canadian National Railways. The explanation is found in the fact that in the year 1923 an amendment to the Canadian National Railways Act was passed, permitting the government to guarantee securities issued on behalf of the system; and since that legislation was enacted the government have adopted the principle of guaranteeing the obligations of the national railways and then forgetting all about it when coming to deal with the liabilities of Canada at the end of the year. The Canadian National Railways sign on the face of the bond, the Minister of Finance signs on the back of the bond, and then, like our old friend Micawber, the government says, "Thank the Lord, that debt is paid." The indictment of the hon. member for St. Lawrence-St. George in respect of this feature of our financial situation stands unanswered.

We hear a good deal about the prosperity of Canada, and in support of the contention that we are really prosperous we are supplied with the statements of bank managers and of financial organizations. These statements are all very well in a way, but I have no doubt they are as optimistic as the circumstances will permit; they have the perfectly proper and legitimate purpose of stimulating and encouraging business. I think, however, it is well that the house should note one sentence in the speech of the mover (Mr. Ilsley) of the address in reply to the speech from the throne—a very able speech. He says:

> In discussing the question of Canada's prosperity, Mr. Speaker, there is one unfavourable feature which should be mentioned, and that is the fact that this prosperity has not been as evenly distributed as might have been the case, or as we would have liked to see it. I am not now referring particularly to the distribution as between classes in the community, although a good deal could be said as to that; I am referring to the territorial distribution of prosperity in which the people in the maritime provinces, unfortunately, have been slow to share.

Apparently, therefore, this prosperity, according to one of the supporters of the government, is not as general as we could hope it to be. We all rejoice in the prosperity of Canada; we are not going to disparage or minimize it. It is inevitable that, as we advance from our war difficulties, from the difficulties of deflation, our condition will improve. We have had good harvests and good prices. But, I submit, no gentleman in this house has in any direct or tangible way connected the prosperity of Canada with the policies of this government, and it is impossible to do so. The prosperity is positive, and it would be much greater if in this country of vast natural resources we had a government with the courage to evolve and put into force some policy that would conserve and develop these resources for the benefit of the Canadian people. After all, no country of the size of Canada, possessing the vast resources which we have, can be truly said to be prosperous when fifty or sixty thousand of its best people have annually to leave that country to seek their home in a foreign land.

We are of course reminded of the tax reductions, and the outstanding feature in the reduction of the sales tax is the fact that it is taken off little by little. The result is that the consumer does not profit by these trifling reductions. If the sales tax were removed at once and made effective within a few months, and there were no loss to the merchants, then there would be an immediate and practical benefit to the consumers of Canada. It must be recalled, of course, that the sales tax, if the reduction now proposed goes into effect, will then be only where it was when this government came into power in 1921. The stamp taxes, which have disappeared, were also put on to a large extent by this government, and we have the spectacle of an administration boasting of reducing taxes which it has itself imposed on the country. I contend, Mr. Speaker, that so long as any government takes from practically the same number of people an amount of taxes increasing year by year we cannot truthfully say there is any real reduction in taxation. In looking up the reports I find that in the fiscal year 1926 the revenue from taxation amounted to $327,575,000, in round figures. In 1927 the revenue from taxation amounted to about $346,650,000, while in 1928 it is estimated that the revenue from taxation will be about $357,000,000. The house will note an increase in the total revenue from taxation during these years, and when this amount is being taken from practically the same population there can be no real decrease in taxation. That contention is as hollow as a drum which may be gilded and beaten in order to provide music to which the supporters of the government may march. It may be sufficient for that purpose, but after all it does not provide very pleasant music for the people of Canada.

We have in this budget a revision of some items to a certain extent. I do not propose to go into those in detail, but after all it

is really interesting to review the record of this government in connection with the tariff, because it illustrates in a most striking manner that inconsistency to which the last speaker referred. I sat in the gallery of this house before 1921 and heard the present Prime Minister vigorously demand a general downward revision of the tariff all along the line, and I am sure he went through the country giving that as the policy of the Liberal party. The first budget presented after he came into power was in 1922, and if one only had time it would be interesting to read Hansard and quote some of the statements made in connection with that budget. It is true that there were some revisions, but it was a disappointment to those who expected the promise of the Prime Minister to be fulfilled. His supporters were pacified to a certain extent, however, by the hope that it was only a beginning, and that it was a step in the right direction. Then we had the budget of 1923, in which the then Minister of Finance said we must have tariff stability; that the business interests of Canmust not be disturbed from time to time by these reductions; that the tariff after all was a moderately low tariff, and that if business were to prosper there must be stability of tariff. There were no tariff reductions that year. In 1924 we find another step taken in the direction of reduction, and in 1925 we find the excuse advanced that the tariff board was appointed and therefore the government must wait for the decisions of that board. In 1926, on the eve of an election, we had some reductions in tariff without waiting for the decisions of the tariff board, because it was thought that these reductions would be helpful. In 1927 the government apparently took another backward step; there were no changes in the tariff. In 1928 we have some changes, the effect of which I am not prepared to state because I have not been able to analyze them sufficiently in detail.

There is one reduction in this tariff, Mr. Speaker, to which I wish to refer, however, and to which I most emphatically object. I refer to the reduction in the tariff on dairy products coming into this country, particularly the products of Australia and New Zealand which enter our market to compete with the product of our dairy farms. According to the Dairy News, a letter issued from the Department of Agriculture under date of February, 1928, we find that in the year 1927 there came into this country 11,208,819 pounds of butter, while in 1926 we imported 9,151,882 pounds. This is against a tariff wall of only one cent per pound, and of course there has been a storm of protest from the dairying interests of this country. I have moved for a return showing these protests, and when they come down I am sure they will be very interesting indeed. These protests come from all parts of Canada, and before this debate is over I should like to hear from the Minister of Agriculture (Mr. Motherwell) how he justifies a reduction which is working such injury to the interests that it is his duty to protect and care for.

In connection with the tariff one is interested in the pronouncements of the present Minister of National Revenue (Mr. Euler) before he assumed that office. We find that in the year 1924, speaking on the address, he said:

> I do not know what there is to be gained at the present moment by the making of slight tariff changes. A policy of nibbling has never appealed to me.

He goes on to state that he approves of stability in the tariff, and continues:

> Let me say to possible critics of my attitude on the tariff when considered in conjunction with the tariff platform of 1919. I did not support that platform; I never endorsed it and I have on two occasions repudiated it in this house. I do so again now.

Then he announces his intention of voting against the budget. I suggest that if he is to be consistent he will vote against this budget on the same ground. This is a nibble at the tariff, and a big nibble to the prejudice of the dairying interests of this country. I should like to hear from the Minister of National Revenue as well, before the debate is finished.

We have heard a great deal, Mr. Speaker, about wider markets. If we look at the trade returns of this country, as published by the Department of National Revenue, we find that our imports in 1927 were greater than in 1926. In 1926 our total imports amounted to $2,256,028,869, while in 1927 their value was $2,298,465,647, and when we look at our exports we find that in 1926 they amounted to $1,328,700,137, while in the year 1927 they were valued at $1,267,573,142. There are, of course, two markets for the Canadian people—the foreign market and the home market. Those who have dealt with the treaties that have been adopted by this government have proved conclusively that we are not gaining very much in the foreign market, while the figures I have quoted establish beyond all doubt that we are narrowing and contracting the home market, which after all is the most reliable and the best. In foreign markets we have to meet the competition of the world. Changing policies and changing

conditions make this market erratic and unreliable. In no instance are the conditions satisfactory.

With regard to immigration, the volume of disinterested and intelligent criticism that has grown up in this country must convince us and the people at large that our policy in this respect is very largely a failure. We are spending many millions to bring people to this country, and we are losing from sixty to seventy thousand of our population annually to the United States. Some say they are coming back. Yes, Mr. Speaker, they come home for Christmas and they go back for the new year. After making every allowance, the figure that I have mentioned is a fair representation of our total annual loss. We are opening the front door to those coming from other countries, and we are leaving the side door open for the escape of our own people, the best asset we have, in the numbers that I have mentioned to the adjoining country. The situation demands heroic treatment. Some solution must be found. In view of our peculiar conditions we may be driven to adopt export duties, embargos, bounties, and wherever necessary higher import duties, in order that we may conserve and develop our natural resources as far as possible in Canada and for the benefit of our own people.

There is one subject of absorbing interest, Mr. Speaker, with which I should like to deal if time permitted, and which I must discuss very briefly. That is the St. Lawrence development. No mention of it has been made in the speech from the throne, but it is of absorbing interest because of its extent and its direct relation to the prosperity of the country. We have had boards, we have had joint boards, we have had advisory committees and reports galore, but no action has been taken. Let me say that although vitally interested in this project I do not urge any hasty or ill considered action, but I am anxious that Canadian interests shall be fully protected. The development will involve a considerable period of time, and we may well be excused for urging that there should be no delay. The matter has been referred to the courts. If I have any criticism to offer in this connection it is that the reference seems rather involved, and when the proceedings are finished I am afraid it will be necessary for the conflicting interests to arrive at some agreement before anything can be done. If this work is undertaken and carried to a conclusion let me urge that it be done as soon as possible and the whole of it developed concurrently; not without completing one section in one province to the detriment of another section in another province. When the project is carried out it will bring traffic to our railways, it will attract thousands of people to our country, it will give an impetus to agriculture, and it will make of the valley of the St. Lawrence the most extensive and intensive industrial area in the world; and while, as I have said, we do not urge haste we suggest that action should be taken at the earliest possible moment. Let me point out that when this development comes to the international section the opportunity may be afforded to correct the errors which appear to have been made in connection with the Chicago drainage matter. We trust the scheme will be carried out as far as possible in Canadian territory and by Canada; we are not in favour of joint development except where absolutely necessary.

Now, Mr. Speaker, I must conclude. There is an amendment before the house which reads:

> This house regrets that the measures proposed by the government do not tend to provide increased employment in Canada, nor to induce the return of Canadians to their native land, nor to prevent the continued emigration of our people to the United States; and that they make no provisions for the preservation of our domestic markets for Canadian farm and dairy products, nor for the effective development of the natural resources of the country, nor for the abolition of the sales tax by the 1st of January, 1929.

I propose to vote against this budget and for this amendment, and I wish to consolidate my reasons for so doing. I have tried to show that on a proper consideration of all our obligations we have an increasing and not a decreasing debt. If all the obligations we have are taken into account we will find that in the last four or five years our debt has been increased by $40,000,000 instead of decreased as contended by the Finance minister. I have shown that during these few years we have been taking each year an increasing amount in taxation from the Canadian people, and my argument is that instead of there being a decrease in taxation there is an increase. I have shown by the figures from the Department of National Revenue that our export trade is decreasing, and that we are increasing the importation into this country of goods which should be made at home. I have shown that the home market, which is the most desirable and the best market for the Canadian people, is being invaded. Furthermore, instead of our markets abroad being widened, they are being contracted, and at the same time the home market is being opened to competitors who are coming in and taking possession of it to the detriment of our own people. The

figures that the government have produced show conclusively that we are losing population at the rate of sixty or seventy thousand a year. The government, I think, is gambling to a large extent with Canada's prosperity, and is neglecting to lay down any permanent policy which is calculated to lead to improvement. It is following a policy of nibbling at the tariff which is distressing to industry and to agriculture, and is gradually undermining the foundations upon which our material prosperity rests. For these reasons I shall vote for the amendment and against this budget.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. A. M. EDWARDS (South Waterloo): Mr. Speaker, in rising to offer my contribution to the debate on the budget I fully realize that the ground has been pretty well covered by hon. members who have preceded me, but the viewpoints as expressed by hon. gentlemen are of course widely divergent in character, this, I presume, being caused by the varied interests that exist throughout this great country. Those who come from the prairie provinces naturally have the viewpoint of that section; those from the provinces down by the sea have their problems, namely, those of the steel and iron industry, the coal industry and other industries indigenous to that part of Canada, while we in the central provinces have problems dealing more particularly with industrial and agricultural matters.

Before proceeding further I should like to take advantage of this my first opportunity to compliment the Minister of National Revenue (Mr. Euler) upon his elevation to that high office. We in the county of Waterloo—and I have the honour jointly to represent the good county of Waterloo with the Minister of National Revenue—are very proud of the honour that has come to him, and we in the southern portion of the county desire to congratulate him and to wish him every success. I feel sure that he will fill the position with great credit to himself and also to the state. He is an able native son of our county. With the influence which I presume he has with this government it seems to me that he might have been a little more successful in protecting some of the industries which are established in the southern part of the county and which have been very badly hit by this budget. I refer more particularly to the textile industries, those of woven cloths and worsteds. This question however I will take up at greater length later on.

With the reduction in the sales tax, as shown in this budget, I am in hearty accord As this tax is a burden upon the masses of the people, upon all consumers rich and poor alike, I hope the Minister of Finance (Mr. Robb) will take it into his serious consideration and endeavour to wipe out the sales tax by the end of the current year.

Much has been said about our national debt. To the best of my knowledge and ability to calculate the amount of this debt, we are $20,000,000 worse off to-day than we were when this government took office. Possibly I should not say worse off, because we have not yet been given an account of the tangible assets of the Canadian National Railways for which I presume the money was granted. There are, however, different viewpoints on the subject, but it seems to me a matter of book-keeping whether or not the loans made to the Canadian National railways should be included in the national debt of this country. They are obligations on the country just as much as any other obligation and they should be so recorded.

In the constituency of South Waterloo which I have the honour to represent in this house we have the happy combination of a splendid agricultural section and a well organized and highly industrialized district with a varied line of manufactured products, including the iron and steel industry in its many different lines, furniture factories and their subsidiaries, large shoe factories, textile factories, including woollen and worsted cloth mills, knitted goods, silk yarn, and silk cloth manufactures. It will be readily seen that any variation in tariff schedules is more or less reflected in conditions in this constituency. We have employed in South Waterloo in the textile factories upwards of 3,500 hands. This is the number of the actual workers in this industry exclusive of their dependants, and therefore hon. members will realize that anything that injures this industry is of very serious moment to our part of the country.

With reference to the so-called review made of the textile industry by the tariff advisory board I wish to make a few remarks. All branches of this important industry placed their positions in facts and figures before this board and all that was expected was a square deal with reference to tariff adjustment based upon the facts and figures presented. If this course had been followed and the Minister of Finance had been guided by this in the formulation of his budget, no debate on the woollen goods industry would

have been required at this time. All that is asked by the textile trade or any other industry I know of is to be placed in a position where they can compete on even terms with outside competitors. They are not asking favours; they are not asking any special considerations; they are not asking any high tariff adjustments. What they are asking is that the workers in this country be privileged to compete with workers in outside countries on even terms and nothing more. When we have regard to living conditions brought about in certain other countries by low wages; when we consider such safeguards as the eight-hour day in many lines; the minimum wage law; the Workmen's Compensation Act; safety devices of various kinds which are designed for the protection of the workmen and which are compulsory, humane and necessary; child labour laws; the Old Age Pension law—which I hope will soon be enacted in Ontario—when we consider all these safeguards with which industry is surrounded in this country, it will, I am sure, be readily seen that some protection must be given to Canadian industry to enable it to meet conditions imposed, so that it will not be forced to face unrestricted competition from England, France, Belgium or elsewhere, where like conditions do not obtain.

Let me take the weekly wages of textile workers in Canada as averaged from figures supplied by Canadian mills and compare them by hours of labour and sex of worker with those of workers in the mills of Yorkshire, England. The figures are as follows:

	Yorkshire	Canada
Binders	$ 5 92	$13 to $15
Twisters	6 34	13 to 15
Spinners	5 77	13 to 15
Reelers	6 52	17 to 20
Doffers	5 22	13 to 15
Overlookers	17 03	35 to 60
Warehousemen	12 06	18 to 20
Blenders, carbonizers and labourers	12 06	18 to 20
Male help in greyrooms, stockroom, packing department	12 30	19 to 22
Firemen	13 89	30

These figures were gathered at the end of 1924 and the comparison is made with wages in Canada in 1924. It is only fair to state that since that time wages in Canada have been reduced by ten per cent. These figures are not guess work; they were obtained by me from the books of the mills. I quote from the budget speech, as follows:

> It is proposed to aid the Canadian weaving industry by granting free yarns for weaving purposes.

That particular branch of the industry that is engaged in the weaving of woollen cloths and worsteds is the one to which I wish to draw the attention of hon. members, in order to show how it will be affected by this budget.

Previous to this budget, knitted yarn coming into this country, what is called forties and finer, used in the weaving of woollen and worsted cloths paid a duty of 12½ per cent. Under the new tariff schedule these yarns come in free, and I wish to show how that change is going to affect the industry in South Waterloo. In the first place there is, I understand, only one mill in Canada making cloth that does not spin its own yarn. This one mill, situated in Toronto, will be in the position of being able to purchase its yarn from England at a low price. But what of the other mills? I am thinking now more particularly of two of the larger mills in my constituency, one located in the town of Hespeler and the other in the town of Preston; and these are typical examples showing how this particular industry will be affected not only in the constituency of South Waterloo but elsewhere in Canada. One of these mills employs between 1,000 and 1,100 hands, and the other is actually employing at the present time 228 hands. Both these mills begin with the raw product—the wool—and work it through the different processes up to the finished cloth. I would like hon. members to observe how this help is divided between male and female. In the case of the mill employing the 228 people there are 68 men employed in carding, spinning and preparatory operations, and 22 women; in the warping, weaving and finishing departments, there are 35 men, and 103 women. These figures cover the actual workers in these departments at the present time and do not include workers classed as "overhead"; in other words, the wool is taken in at one end of the mill, and it is washed and combed and carded and spun into yarn. In that process a lot of men helpers are required, but after it passes that stage the material goes into the loom and is woven into cloth, and these looms are largely tended by female workers, so that anything you do that injures the original part of this business, the converting of the raw wool into the yarn, affects the heads of families more than would a change that was applicable to the later processes.

The amount paid for carding, spinning and preparatory operations, including overhead, is 40½ per cent of the total wages paid. I would like hon. members to take note of that fact, that when these new schedules come into operation, out of every $100 that these mills are to-day paying in wages approximately $60 will be paid in the mills, and $40 will be sent

to other lands. That gives you some idea of the injury that will be done to this business.

The value of the machinery and housing for this particular mill of 228 people which I have mentioned, if it is to be scrapped, will be between $400,000 and $500,000.

I now come to the larger mill employing between 1,000 and 1,100 hands, and in this connection I propose to read a letter I received from the general manager of this company. I had written and asked him to let me know just how his mill would be affected. Let me say first that this mill is located in a town of 3,500 people, and when a mill employing between 1,000 and 1,1000 hands in a municipality of that size is injured you can see how seriously it is going to affect that community.

This is the reply I received from the general manager of this mill:

We have been going over our records here very carefully, and last year (1927) exactly one-third of our spinning department was employed in making yarns for weaving purposes, and as nearly as we can estimate it not 5 per cent of this plant is likely to be operated for weaving yarns under the new regulations of free yarns for weaving purposes allowed into Canada from Great Britain, and there is positively no prospect of employing this part of our plant on other kinds of yarn, for the reason that there are other spinning plants in Canada who will be cut out of a certain amount of their yarn business by the new regulation and they will be forced to go after the knitting yarn business to a greater extent than before in order to keep operating, and we cannot hope to get knitting yarn business to take up the slack in our weaving yarn department. It is not only our plant in Hespeler that we are concerned about, but also our spinning mill in Orillia.

We are not denying that the weaving trade in Canada may possibly get some advantage by the change in the tariff on weaving yarns from 12½ per cent to the free list, but the advantage will be entirely at the expense of the spinning industry and those employed in the preparation of the wool through all the processes up to spinning, including sorters, scouring hands, card room hands, gill minders, combers, drawing room employees, spinners and twisters, and not only the above but labour employed in the dyeing department will also be affected because of the fact that much of the yarn required in weaving is in mixture effects, greys and coloured twists, etc., and the stock for these will have to be dyed in England before the material is manufactured or spun, so that the people employed in the dyeing in Canada will be hard hit also. We are going to be in the position of having all of these departments working at a discount, or in other words only partially employed, increasing the overhead charges in every one of these departments on the material which we will be able to continue to make. And as I explained to you when we were talking over the situation, the difference in wages which will be paid in our mills in the production of our cloth by manufacturing from imported yarns instead of manufacturing the raw wool through all the processes into finished cloth will be in the proportion of 59 to 100; that is, where we would be paying $100 to our employees for manufacturing the goods from raw wool Canadian labour under the new arrangement will receive only $59, and the rest of the labour involved will be paid for in England.

If this is a good stroke of business for Canada, we confess we are quiet incompetent to see it.

What we asked of the tariff board was a reasonable increase in the duty against finished cloth to enable us to carry on all the operations in Canada and employ people in this country. What we are getting from them apparently is nothing of the kind, but is a cutting away of the foundations of the Canadian weaving business and placing a large percentage of our operations on a free trade basis, the principle of which, if correct in connection with the spinning trade, should be equally correct in connection with the weaving trade.

The sacrificing of the spinning branch of the cloth trade in Canada we consider is utterly unwarranted from any practical standpoint, and particularly from the standpoint of the position which the country would find itself in in case of another war such as we have passed through, or which would cut off from Canada a supply of weaving yarns for any extended period of time. A strike in England in the spinning trade would be equally effective in closing up our weaving industry in Canada when our own spinning is in the discard, as it undoubtedly will be as a result of this type of tariff policy.

While we have stated that one-third of our plant is affected, the reason that the entire plant is not affected in the same way is that we are manufacturers of knitted goods as well as woven goods, and a mill which is exclusively in the weaving trade would be affected to at least 50 per cent of its equipment while we are affected to the extent of only about 33⅓ per cent.

I might explain that there is no change in the tariff on spun yarn that goes in to the ordinary textiles, such as knitted goods, and that has reference to coarser than 40's.

The two mills which I have taken are fair illustrations of this type of mill, namely, those that make cloth throughout Canada. It will therefore be seen what a serious matter it will be if these mills have to go out of the spinning of yarn for cloth. It will be noted that the larger percentage of men workers is in the departments that are affected by the budget, that is, the carding and spinning departments, the operations from there on being mostly done by female workers, as the figures show. We are therefore taking the work from the heads of families—a most serious condition indeed. Let us suppose, for instance, that finding themselves unable to spin yarn profitably for the weaving trade, these mills turn to the spinning of yarn for the knit goods trade. The ultimate will be a large surplus of machinery to take care of existing consumption, and we have the ridiculous clause in the proposed tariff

schedule allowing us to bring in textile machinery free of duty. Who under heaven wants textile machinery when there will be thousands of machines in this country lying idle?

Now let me deal with dry spun yarns to show how inconsistent this tariff schedule really is. This type of yarn has been imported on a duty basis, subject to a drawback when converted into stockinette hosiery, and so forth. This drawback has been cancelled, to become effective in October next. In other words, dry spinning plants from October on will have the benefit of a duty of ten per cent where previously those yarns came in free on the drawback plan. This policy is directly opposite to that pursued allowing yarns into Canada free of weaving. There are but two plants in Canada making this yarn, one in Hamilton, and the other in Toronto. The government apparently is desirous of building up a dry-spun yarn business for two manufacturers, but is not in favour of the same policy for yarn spinners using their own production for weaving.

With regard to cotton yarns, fine cotton yarns 40's count and finer—made by only one mill in Canada, that is at Three Rivers—are now subject to duty, whereas up till now they have been free. This also is directly opposite to the action applied to yarns entering Canada for the weaving trade.

I have endeavoured, Mr. Speaker, to place before the house as best I can the effect which the proposed changes in the tariff will have upon the woven goods branch of the textile industry of Canada. Let us now see how far-reaching the results will be by consulting the Preliminary Report on the Woollen Textile Industry in Canada, as issued by the Department of Trade and Commerce. Referring only to woollen cloth mills, there are fifty-seven mills in Canada making woollen cloth and, with one exception, all spinning their own yarn. These mills are situated: In Nova Scotia, 3; in New Brunswick, 2; in Quebec, 10; in Ontario, 42. The amount of capital invested in the manufacture of woollen cloth alone is $21,342,909, with 4,026 employees. These figures do not by any means indicate the amount invested or the number of people employed in all the textile factories—that is, the figures I have given the house are only for the woven trade. For the textile factories engaged on knitted goods, and so on, the figures are: Capital invested, $42,215,208; employees, 11,017. The value of the products produced, by provinces, was as follows in 1925:

Canada total..	$15,499,326
Ontario..	12,982,583
Quebec..	2,058,704
Nova Scotia and New Brunswick	458,039

The cost of the raw material entering into these finished goods was $9,415,211, and the value added by the process of manufacture was $6,084,115. Surely this is an industry that should merit careful consideration by those who have to do with the tariff.

I wish now to refer to one other branch of the textile trade, namely, that in connection with the manufacture of tapes, woven labels, and so on. These woven labels with the firm's name are attached to articles of clothing, and so forth. In the city of Galt there is an industry manufacturing this line of goods, established fourteen years ago. Under the existing tariff it has gradually expanded and worked up a fair business, and to-day it is employing seventy hands. It has not yet paid a dividend, profits being used for necessary expansion, the management realizing that in order to make money on a small business of this type it is necessary to put it on a first-class production basis, and in order to do this they have purchased additional equipment from time to time until now they are in a good position to carry on. When I tell the house that last year they made a little over nine thousand dollars profit it will be seen that they are not exploiting their tariff protection. Under the new schedule not only is the duty lowered on the finished product, but a duty is actually added to the raw material, which is cotton yarn. So you see they get it going and coming. On the basis of the 1927 business the increase in the cost of yarn to this institution will amount to $2,943, and the loss on sales through their being compelled to reduce prices to meet British and foreign goods will be $6,440—or a total loss, presuming business to be the same this year as in 1927, of $9,383. This will more than wipe out the entire profits of that institution for last year. If the proposed changes come into force this firm will have to discontinue business in the manufacture of tapes, causing a great financial loss and throwing many employees out of work.

To show who benefits by this cut in the tariff on tape, there is a small concern in the town of St. Mary's in the constituency of my hon. friend from South Perth (Mr. Sanderson), who spoke yesterday and was quite critical in his treatment of the speech made by the hon. member for Fort William (Mr. Manion). The concern to which I refer is a branch of an American mill. Their raw material is tape. Under the provisions of the tariff before this proposed change, they had to pay a slight duty on tape, which is their raw material. They put fasteners on the tapes and with a very slight operation they become their finished product, covered

by patents. Now, under this arrangement they are able to bring their tapes in direct from the parent mill across the line. I ask hon. gentlemen opposite if this is the way to foster Canadian industry? Is this the way to take care of our working people?

To give the house some idea of how this budget is considered by the executives of these concerns, let me quote, from the Guelph Mercury of February 18, 1928, certain interviews given to that paper by the heads of several large concerns:

The spinning business of this city has been badly hurt by the Robb budget, according to Mr. Harry Quarmby, president and general manager of the Guelph Carpet Mills and the Guelph Worsted Spinning Mill.

"We have an expensive spinning plant here, with the latest equipment for the spinning of yarns, and all this could be scrapped and the hundreds of people turned out of employment because of the admission into Canada of yarn at the reduced rate provided for in the budget.

"It would seem that the government of Canada is more interested in keeping the wheels of industry in England turning than in Canada, so far as the yarn spinning industry is concerned, but that is of no benefit to Canadian work people.

"The new rates will mean that the orders now on hand for weaving yarn may be cancelled and no more orders received. What that means can be easily imagined by the citizens of this city and by the two hundred employees of the spinning department. The government of Canada has shown absolutely no sympathy for this business.

"Labor in England is poorly paid in comparison with that of like occupations in Canada. The result of this is that yarn can be spun in England, shipped to Canada and laid down in Guelph cheaper than it can be spun here. That requires no wizard to understand the logical result of the government's policy. It means ruin to the spinning industry. I cannot condemn the budget sufficiently so far as the Guelph yarn spinning business is concerned, and what applies to Guelph applies to all the yarn spinning plants in Canada," said Mr. Quarmby.

Hespeler Plant Will Feel It.

Mr. D. N. Panabaker, director of the Forbes Mill at Hespeler, called on by The Mercury, states that there are three hundred people employed in the yarn departments of the big mill.

"The budget is a very serious thing for Hespeler. Just what plan of action will be decided upon cannot be said at the moment. It will make a difference in the cost of cloth, but it is destructive to the spinning end of the big textile industries.

"There are no compensation clauses in the budget," said Mr. Panabaker. In England, according to a report published in February, the wages of spinners while 160 per cent higher than before the war, are still less than 60 per cent of the wages paid to the spinners and carders in Hespeler, and there is no possibility of competing with that handicap.

"Our plants are fully equipped with expensive machinery, and while the new budget permits machinery to come into Canada free, it is of no benefit to us, because already equipped. The tariff advisory board is fully acquainted with the position of the spinning industry, but is powerless to make any redress. Hespeler will be hard hit, but we cannot tell yet just what procedure is to be followed," said Mr. Panabaker.

General Conditions.

Textile trades are badly worried because of the changes made in tariff. There has been a reclassification under cottons, woollens, silk, linen and hemp. There has been a reduction from 37½ per cent to 30 per cent on some cotton duties, but on cotton yarn of 40 counts or finer, there has been imposed a duty under the general tariff where formerly it was free. The general effect of the cotton revision will be to increase the cost of cotton yarns to Ontario manufacturers.

Woollen Mills in Bad Way.

David C. Dick, president of the Canadian Woollen Manufacturers' Association, expressed regret that there was nothing in the latest Robb budget which would seem to be likely to help the old-fashioned woollen mills of Ontario. He said these were in bad shape.

Mr. Dick said that free machinery from England would not help these mills very much, and as for free yarn, he did not believe that, from the very nature of their business, the old-fashioned woollen mills could buy yarn. Mr. Dick doubted very much whether the weaving mills would benefit one half of one per cent under the Robb proposals.

So far as the old-fashioned small mills, scattered all over the Dominion, where they weave woollen cloth, there are at the present time 20 of them, with 350 looms closed down, in the other 34 mills, with 1,015 looms, over half of the looms are standing idle. In Ontario the situation is extremely bad.

Means Unemployment.

Every weaver of worsted cloths in Canada, with one exception, has its own spinning plant to produce the yarns. If they take advantage of the free yarns, then, according to one of the best authorities in the business, it will mean the scrapping of hundreds of thousands of dollars' worth of machinery, and the throwing out of work of hundreds of employees.

The Robb budget will adversely affect the spinning plants of Canada, which produce worsted yarns to the extent of $500,000, in the opinion of one closely in touch with the situation.

Good-Bye To Lamb Chops.

Another result of the Robb Budget, according to one who has studied the matter, will be that the sheep industry will suffer tremendously.

"If free yarns are admitted, then the Ontario farmer will not find any market for his wool," said this authority. "It will mean that the farmer will not be able to afford to raise sheep. The result will be that you won't be able to buy a Canadian lamb chop on the market. The people of Canada will have to content themselves with eating frozen chops and Australian rabbits."

There are several others but I will not quote further; what I have read will give the house an idea as to just how these proposed changes in the tariff will affect these industries. In the large mill at Hespeler, which I know quite well, I saw huge bins of wool, one filled

with an Australian product, another with New Zealand wool, and a third with Canadian. Not being sufficiently familiar with the business, I was anxious to know the proportion of Canadian wool that entered into their product, and how far the proposed tariff would affect the raising of sheep in this country. Accordingly I wrote to the general manager of the concern and to-day I have his wire in reply:

> From careful investigation I can assure you that many carloads of Canadian wool have been consumed annually in cloth mills in your constituency. The effect of budget proposals will positively divert this wool from consumption in Canada. Industrial workers overseas and wool from foreign countries will undoubtedly be employed to the detriment of Canadian workers and displacing Canadian raw wool.

This will indicate what is likely to happen to the sheep trade in this country if the proposed policy is persisted in.

My time has about expired, but I hope I have placed fairly before the house the case of the spinning business, especially in relation to woollen and worsted cloth. I sincerely trust that the Minister of Finance will reconsider his decision to inflict upon this industry, involving hundreds of employees engaged in this class of work, a hardship such as I have pointed out. Not only is this continual tinkering with the tariff affecting the woollen and worsted cloth industry of Canada; it is actually frightening capital away from the country, because investors do not know which branch of industry will be attacked next. The result is that we have unstable and unsettled conditions all round. I must conclude now, and in doing so I wish to thank the members of the house for the courteous hearing they have given me.

Mr. JOHN EVANS (Rosetown): We had a promise from the government last year that when the tariff advisory board got under way the tariff would be revised, though cautiously, in a downward direction, so as to lower the cost of living. If the changes outlined in the budget now before us represent the work of the board, then I think the people throughout the country will be asking just what the board is doing . In my opinion the reconstruction of the tariff as outlined in the budget is not at all in accordance with the findings of the tariff advisory board. The country expected, as it had a right to expect, that now, ten years after the close of the war, which upset economic conditions for a period, something would be done to enable us to return to normal so far as the cost of living is concerned.

The hon. member for East Lambton (Mr. Fansher) in his speech yesterday discussed the way in which the Liberal party, the free trade party, has dealt with this great question, and I propose to adduce some facts to show why that party is pursuing its present course. Raw material under the budget is for the most part free again, but the consumer will have to pay a heavy penalty if he imports anything in the nature of a finished article. In some cases, I find, the intermediate and general tariffs are lowered, but the British preference remains as formerly. I find that item 537b, linen thread, is reduced, when imported from Great Britain, only 2 per cent. This is of value only to the importer; the consumer will reap no benefit. In items 569 a, b, c and d, which cover material for hats, the British preference remains the same but this material coming from other countries is taken off the free list and placed under a duty of 5 per cent and 7½ per cent under the general and intermediate tariffs respectively. The duty on the finished article in this case remains the same, at the prohibitive rates of 22½ per cent, 27½ per cent and 30 per cent. On inquiry I find that 90 per cent of this hat material comes from countries other than Great Britain, so the enmity to the British preference did not need to be emphasized here. It is evident also that those using this material are seemingly rather lacking in influence. It will be seen when we come to consider this budget item by item that in the importation of many articles in which the British manufacturer specializes the preferences hitherto enjoyed will not from now on apply, certain conditions making it impossible. This will have the effect of shutting out to some extent the British market for the agricultural products of the farmers of Canada.

Again, under item 267b I find a most amazing thing, the full import of which is not readily discerned. As far as I can see, the government has given notice to all small oil refining companies, and to those contemplating entering the business, to get out and stay out. In this connection I cannot help but think of the language used by Sir Richard Cartwright at the famous Liberal convention held in this city in 1893, when he said:

> It must be obvious to everyone who will give the slightest attentive consideration to the working of the protective system in this country or elsewhere, that the moment you introduce that system you make legal provision for corruption on a most extensive scale.

I wonder what he would have said of these manipulations in favour of the Imperial Oil Company, let us say, or some of the other large concerns. However, it certainly presages more expensive gasoline for the general public.

Taking it altogether, this budget is a rich man's feast. The money cost to the public through trade penalties has not been at all lessened, and the moral hazard has not been abated in any way. The income tax has been again lowered, but for the man who has no taxable income the burden has been increased, so far as I can find out. The parliament of Canada is the highest court in the land, the place from which one would suppose justice would emanate for all alike, but the present government, after having taken every possible means to inform themselves on the evil system of trade penalties, now come forth with a budget in defiance of that knowledge. This has given a direct challenge to the primary producers and workers of this nation; it has challenged the farmers to organize for political action, and it is even an invitation to the workers to strike for justice.

I have in my hand a pamphlet which has been presented to the government setting forth the demand of the farmers for free tools and implements, but the entire matter has been simply ignored. The farmers are the men who bear most of the burdens of this kind of state felony, but I am glad that there is at least one class remaining who have no desire to live on the sweated labour of any other class in Canada. The farmers of Saskatchewan have also asked for a freer method of distribution by the abolition of arbitrary valuations for customs purposes, which were designed to protect the large dealers, importers and jobbers against cooperative companies.

I saw a resolution which was placed on the order paper by the hon. member for Weyburn (Mr. Young), but since it has already been passed over twice it seems that he is not going to proceed with it, and the reason is obvious. Through party managers and manipulating politicians the government have become linked up with every concern in this Dominion with which they could make a bargain. That may be a rather harsh expression, but that is the way I look at it. Party funds have been subscribed by bootleggers, rum runners, distillers and others who want to defy the laws of this nation and of the United States. In this way these people purchase the legislation they desire, in order to evade the laws of this country. I make this statement on the authority of the report of the commission which has been lately printed, and if anyone wants a specific case he can turn to page 110 and read for himself. Again, the farming class of Canada has been farmed by the capitalistic class of this Dominion for the last forty years, and all governments of Canada for the last forty years, irrespective of party, have done the same thing. In this respect the present budget is no different from the budgets which have been presented in former years, but it does stamp this government as being composed of men who are willing to continue the sweated labour on the farms of Canada of our women and children, to say nothing of our men, to swell the profits of those who, through their henchmen in this house, proclaim their indolence, incompetency and callous indifference to the adverse economic conditions of all those other classes of the people who are practically reduced to the standard of slavery to satisfy their greed. The cotton manufacturers, the steel manufacturers and others come before the tariff board pleading for greater facilities with which to rob the public.

Here is one statement I do not like to make, but the Liberal and Conservative parties in this house to-day hold their offices as members of parliament and cabinet ministers by selling their power and influence. The report of the parliamentary committee appointed in 1926 to inquire into the customs irregularities, reveals the most astounding facts and it is for every patriot and honest man to take these facts into consideration here and now. The Western Producer, a Saskatchewan paper which was started some years ago to reflect the Progressive and economic thought of this Dominion, in its leading editorial of January 20, 1927, has this to say:

> The Western Producer demands to know what individuals in the Canadian House of Commons owe their responsible office to money secretly contributed to a fund mysteriously spent.

At the sitting of the committee referred to, on June 11, 1926, after insistent questioning by the member for Peace River (Mr. Kennedy), it came out that $274,000 had been subscribed to party funds and divided between both parties. In a clipping I have here from the Grain Growers Guide, the editor, who I think is very well known from one end of the Dominion to the other, has this to say:

> The cases in question, where the evidence is indisputable, show contributions of approximately half a million of dollars from two concerns. It may be reasonably assumed that the campaign fund managers were equally busy taking contributions from all the other liquor interests, and that they must have gathered in at least $2,000,000.

Two millions of dollars! I ask, sir, what hope is there for Canada under these conditions? This money was to purchase the legislation desired. I say that this budget of to-day is a product of purchased power and influence. I wish to remind hon. members of a fact well within the memory of every

man in this house, that not so long ago Sir Robert Borden read two men out of his party because of some irregularities in the sale of horses. The sale of the rights of men and women throughout Canada to-day goes merrily on, and not one in either of those two parties raises a voice on their behalf. Horse flesh, when considered from the political standpoint, is seemingly much more valuable than the lives of men and women.

An hon. MEMBER: Hear, hear.

Mr. EVANS: I hear the voice of the Minister of Immigration and Colonization (Mr. Forke).

Mr. FORKE: I was just wondering what the hon. member was trying to get at.

Mr. EVANS: To me it is not a laughing matter.

Mr. FORKE: No.

Mr. EVANS: I ask to-night whose hands are clean?

Mr. FORKE: Whose hands are filthy?

Mr. EVANS: Who is not a party to this iniquitous system? I say it is time that hon. members declared themselves on this subject. This money has been divided between both parties. Whom do they represent in this house to-night? What have the heads of both parties to say to this, and will they take the means that Sir Robert Borden once took to purge their parties of these methods? It hurts me to make this statement, and it hurts worse from the fact that certain hon. members opposite have allied themselves with those who tolerate this system and benefit by it, members who once sat with us in this corner of the house.

I have another clipping in my hand from the Montreal Witness, that old journal which has for eighty years worked for righteousness in this country. In it there is given a list of firms which have evaded the payment of income tax to the extent of many millions of dollars; they were not even asked to make an income tax return. One of my neighbours when I lived on the farm, a poor devil who never had an income, who never had anything to pay income tax on, was sentenced to jail for thirty days at Prince Albert because he refused to make a return. He had to get somebody to do it for him, he did not even understand the English language. Yet the firms in question have not even been asked to make a return. Is this the Canadian parliament?

From the Saskatoon Daily Star, under date of June 14, 1927, I read the following:

It is estimated that as a result of the customs inquiry and the auditor's disclosures, three hundred millions will come into the treasury.

The farmers in this house have been accused of evading the payment of income tax. They never had any income to pay taxes on. In this budget the class which reduces the agriculturists of the Dominion to a state of dependence through budgets such as this is the one which is again relieved by law of the payment of a large portion of that tax, and the government is dependent on the tariff for revenue—a method which places at least $2 in the pockets of the protected manufacturer for every one that goes into the Dominion treasury. I need not go any further for authority on that point than to the Right Hon. W. S. Fielding, who was Minister of Finance in this government until a few years ago. Let me read his words:

> It can be established positively, I believe, that if you take into account simply the difference between the duties that were paid during the period of the Liberal administration and the duties that would have been paid had the Conservative tariff remained in force, the money that went directly into the pockets of the Canadian people on that account alone was from $85,000,000 to $100,000,000. But it must be remembered—and economists, I think, will agree—that the saving you make in a case like that is not to be measured only by the amount that you did not pay into the customs; you have to take into account also the check that was put upon the rise of prices at home, and that for every dollar saved to the people in that direct way probably two dollars were saved in the difference between the prices prevailing and those which would otherwise have been charged by the home manufacturer.

Mr. GARDINER: What was the date of that utterance?

Mr. EVANS: May 10, 1921. Now the duties paid in 1921 amounted to 179½ millions. Twice that amount is over $359,000,000, and this is the amount that Mr. Fielding says the manufacturers added to the price to the Canadian consumer in disposing of goods sold in that year. The previous speaker, the hon. member for South Waterloo (Mr. Edwards), wants the whole of the difference between wages paid in Britain or other European countries and wages paid in Canada to be made up by the tariff. I ask: By what rule or reason can we shoulder the burden on to any other industry in this Dominion? The farmers, as I have already said, are the ones that carry the greatest part of this load. They sell their produce in the markets of the world, competing with Russia, China, India, Argentina, Australia, and in some of those countries they do not pay over one-sixth of the amount of wages which the Canadian farmer has to

pay on his farm to get his wheat harvested. By what rule or reason can the hon. member shoulder that on to the agricultural class of this Dominion? Let me ask: By what rule or reason did the government decide to put a heavier burden this year on the agricultural class that is still labouring to make ends meet and failing as the days go by?

The Minister of Finance says: "Work and thrive." Our people are working on the farms of Canada to-day double the hours that are worked in the civil service and four hours longer than are worked by those in the cities who have the eight-hour day. Our women are on their feet at five o'clock in the morning and if they get their work done by nine o'clock at night they feel lucky. I ask again, and perhaps the Minister of Finance will answer me when he speaks: By what rule or reason does he maintain this trade penalty on the commodities which the farmer has to purchase? I find from this pamphlet presented to him and his colleagues this year that there is a duty on some of our articles amounting to 35 per cent. Is this reasonable? Show me that the agricultural class is to-day so prosperous that it can bear the burden of all other industries. I challenge any member of the government side to-day to do that, and if I have time before I sit down I want to labour that point a little further.

A good deal has been made by the government this year regarding the reduction in the national debt. Debt is a relative matter and it must always be considered in relation to assets. The newspapers even have taken the matter up and much has been made of the fact that we have been able to meet maturing loans from current revenue. There are two ways of looking at this question. The minister gave us the impression, and the country has received it, that as a nation we are further away from a state of insolvency than we were last year. Is this so? I am more concerned to-day about our assets than our liabilities, and for this reason. In 1926 we sold 97,000 fewer finished cattle in the markets of Canada than we did in 1925, and in 1927 we marketed 21,282 fewer cattle than we did in 1926. But there is still another feature regarding agriculture that is worse even than the loss on finished cattle. In 1926 the farmers marketed 27,000 more calves than they did in 1925, and in 1927 they marketed 24,915 more than in 1926. Add to this the fact that matured cattle during this last year averaged twenty-five pounds each less in weight than the year before. The tremendous increase in the number of calves being marketed indicates that it will now be five or six years before the live stock industry regains its former status. Taken altogether, the diminishing live stock industry is a situation that should cause alarm to all who care for the development of this country, and not only its economic seriousness but its moral standard as well by the concentration of our workers in the centres of industry or the cities. The figures which I have given for 1927 in regard to the live stock industry I lately secured from the deputy minister of the department, Doctor Grisdale.

Between the years 1921 and 1926, two census years in Saskatchewan, despite all our immigration and despite the natural increase, we find that we had 2,000 fewer farmers in 1926 than in 1921 in that new province where the development in agriculture is chiefly taking place.

Mr. BOURASSA: Does the hon. member mean 2,000 fewer farm holders or 2,000 less population?

Mr. EVANS: Two thousand fewer farm holders. This fact regarding the number of farmers in Saskatchewan diminishing during that period by nearly 2,000 is surely conclusive evidence of the result of the traffic of the politicians in the lives of the workers. Our industrial lords and politicians may point to the building of great cities and their growth, but the foundations of cities lies in a contented, prosperous and virile population on the land. Destroy that foundation and the superstructure will tumble down on your own heads. Evil in every form by its very nature is its own avenger. The fact is that the government of Canada is had in tow by business interests, and this condition is of such long standing that even business is a secondary consideration to-day in the amassing of wealth.

The hon. member for Fort William (Mr. Manion) asks what this government has done for the mine owner, the manufacturer, and others, mentioning every activity in the Dominion—all going to show that business ability and courage are not the essentials in business to-day. The one essential, according to the hon. member for Fort William and some of his colleagues, is a successful linking up with the politician. Why?

The hon. member for Fort William also asks, what has the government done for the wage earner? Why does this government let our men go to the United States to seek work, he asks? The workingman has always been the concern of the patriotic protectionist, if you will let him tell the tale. Years ago I thought it was a patriotic thing to purchase my farm equipment from the factories

of Canada. I have during my thirty-seven years of farming purchased three Chatham fanning mills. I had always thought that these fanning mills were made in Chatham, Ontario; but only lately I found out that the Chatham fanning mill is as often made in the United States or anywhere it can be made the cheapest. One of my friends who can vouch for this fact only lately came across from Windsor with four drayloads of Chatham fanning mills smuggled into Canada.

Mr. BANCROFT: Was he a friend of yours?

Mr. EVANS: I would ask, where is the concern for the workingman under conditions of that kind? How do they get those things into Canada duty free? Oh, he spoke to the man in charge who said: These articles are unfinished. But I want to tell this house that all that was unfinished was that the screens were not punched. The Chatham fanning mills are made in the city of Detroit, and I hope hon. gentlemen will get that right. These mills have always been protected by a high duty, for the sake of the workingman, I presume, but they can be smuggled into Canada under the pretence of their being unfinished articles.

The farmer was also a concern of the hon. member for Fort William, but I hope that our agriculturist population will never lose its self-respect to the extent of joining in the plea for political pilfer such as we hear in this house from members who declare their own inability to make their living.

Partyism—let me say a word regarding partyism. Party politics as it is carried on in this country is destructive to every good quality which we as a people should develop. The idea of the politician is to keep in power, but that politics should be dependent on business and business on politics to the extent it is, is evidence of a depravity that should at once be checked. The evil of this party system is seen only in its entirety when the government of a province is of the same political stripe as the one occupying the seats of power at Ottawa, and because of this—I wish the Minister of Justice (Mr. Lapointe) were in his seat—the people of Saskatchewan last year were humiliated and their sense of justice and freedom was ravished by the fact that the provincial police were used as stool pigeons to secure evidence to convict because a federal politician was concerned, an honest man who was not guilty.

Some hon. MEMBERS: Explain.

[Mr. Evans.]

Mr. EVANS: Proof of that can be had at any time.

Some hon. MEMBERS: Give it now.

Mr. EVANS: I see the Solicitor General (Mr. Cannon) in his seat and I wish other ministers were here because I want this to sink in. These are some of the facts which this nation at this time should take into consideration, when the righeous sense of the patriotic people of Saskatchewan, their sense of liberty and justice has been ravished in this way. It was a case where even the officers of the law were debased, and justice became mired in party politics. I am speaking of what I know. This state of affairs has been developed because of the introduction into our public life of a system of class privilege. So much for that.

Another question that is occupying the attention of the people of to-day as never before is immigration. There came to hand this morning the Montreal Star, and I was glad to get it for certain reasons. The Star of Montreal, that great Conservative paper—

Some hon. MEMBERS: Oh!

Mr. EVANS: The Star wants more population, but it has at last acknowledged the fact in this article on its front page—and it is valuable on that account—that the farmer has all the burdens he can stand now, and that no more can be placed on his shoulders. While this editorial outlines a scheme of development which is, I think, just as impossible of success as the present system of protection, it is very gratifying indeed to see that such a paper at last recognizes the rights of the farmer.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, I regret that the acoustic properties of this chamber were not good enough to enable me to hear everything that the last speaker (Mr. Evans) said, but I did hear enough to startle me, and I am sure that the members of the government could not have been listening or they would have risen in their wrath at some of the charges which the hon. member for Rosetown (Mr. Evans) was making against them.

Mr. ROBB: May I say that I listened carefully to the hon. member for Rosetown, and his charges were not directed against anyone in particular. It was just an insinuation that every member of this house was implicated except himself.

Mr. MacDONALD (Cape Breton): All I have to say about this question of party funds is this: I am willing to join with the hon.

member for Rosetown in asking for a full investigation, because if there has been anything like that done, somebody on our side has been holding out. Many of us did not get our share, and I have no doubt that we had to contribute quite as liberally to our election expenses as did the hon. member for Rosetown.

Having listened to the last two speakers, I rather sympathize with the Minister of Finance. They attacked him from entirely different angles, but I do not think he should have very much trouble in deciding which of the two criticisms is deserving of consideration. The hon. member for South Waterloo (Mr. Edwards) presented facts and figures as to the exact effect that the proposed modifications in the tariff are going to have on the textile industry in his riding. As to the hon. member for Rosetown, his remarks were of a general character, and showed that he is too blameless and pure and high-principled to be able to contribute anything of practical value to an economic discussion of this kind. I think we all agree with many of the principles that he enunciates, but I am afraid that in this practical age the hon. member will find himself like a solitary sparrow on a housetop or a lonely pelican in the wilderness.

Now, sir, coming from the constituency in which is situated the great steel industry of eastern Canada, I have to express my regret that the budget holds out no hope for that industry. Two years ago the Duncan report made certain recommendations with regard to it. One year ago the Prime Minister (Mr. Mackenzie King) gave a message of hope to the people of the maritime provinces when he stated that the government intended to implement fully those recommendations. Two years ago the industry submitted its case to the tariff board, asking for more protection, but so far as I am aware nothing has yet been heard from the board. One year ago the Prime Minister gave as a reason for not taking immediate action to implement the Duncan report with respect to the steel industry that the British Empire Steel Corporation was in litigation, and he stated that nothing would be done until matters had been straightened out. Now the litigation has been settled, everything has been straightened out, and all we want at this time is some indication on the part of the government, some gesture of their intention to give assistance to that industry; but none is forthcoming. We had reason to hope, and did hope up to the very time the budget was brought down, that some assistance would be given to the steel industry of Nova Scotia.

I have no desire to embarrass the hon. Postmaster General (Mr. Veniot). In a speech delivered at St. John a short time before Christmas he intimated that when the budget was brought down, or at some very near time in the future, the two major recommendations of the Duncan report, one with regard to the Valley railway and the other with regard to the steel industry, would receive attention, and the news in relation to these matters would be such as to make every maritimer glad. Well, the speech was delivered at a convivial assembly by a minister speaking to his constituents; he would naturally have a strong desire to give them a word of hope and encouragement, and it was to be expected that he would speak in that vein; but I for one refuse to believe that his statement was entirely unwarranted. I believe that at the time the government did intend to do something for our steel industry. What has happened in the meantime to cause them to change their minds? Has anything happened, or are they going to postpone action for another year in order to be able to make political capital out of any concession then granted to the industry?

I am not going to take up any time discussing the question of debt and taxation, for it has already been fairly well threshed out, and I think it is pretty well understood by the people of Canada. I do not understand the great jubilation with which the government's announcement of a surplus is greeted. Unless the government can prove that they themselves have done something to earn that surplus by some legislative or administrative action, I do not see any occasion for such jubilation. At the time of confederation the province of Nova Scotia handed over all her revenues to the Dominion. To-day we are having a hard struggle down there to make both ends meet. In other words, the provincial authorities are finding it very difficult to raise sufficient money to carry on the government of the province. Contrast that lack of revenue with the federal surpluses running from forty million dollars to seventy million dollars. It seems to me that the lesson to be drawn from this disparity between the financial condition of Nova Scotia and that of the Dominion is that the time has now arrived for a considered adjustment of the financial arrangement between the provincial and the federal authorities. The federal government has from time to time invaded the field of provincial taxation, crippling the various provincial administrations, and to-day most of the provinces are experiencing considerable difficulty in meet-

ing their budget requirements. Even in the small matter of the fines that come in from prosecutions under the customs and excise act, although the provincial government furnishes all the officers and provides gaol accommodation when the prisoners are convicted, the fines go into the federal exchequer. The provincial government has to bear all the expenses. I think in fairness this government should refund to the province and to the various municipalities all the fines that have been collected from prosecutions under the act.

There is another matter closely associated with this question of the relation between the municipalities and the provincial governments on the one hand and the federal government on the other. The country store is passing away; the small storekeepers in the various towns and rural districts are going out of business. These people are being gradually driven out by the mail order houses. In my home city of Sydney I have seen a large room in the post office filled with mail bags crammed with catalogues from mail order houses. The people from the various rural districts send their money to these houses and get goods in return. This practice may possibly be defended on the ground that the goods are cheaper. Very well. But I ask in all seriousness why this government should use the post office department to facilitate the carrying on of this business without making some recompense to the municipality that is being hurt. The local storekeeper has to pay a certain amount of taxation for the upkeep of the town; the mail order house pays nothing. I submit that the time has come when these mail order houses should be made to pay a share of the taxation in the municipalities that are being affected, so that the local storekeeper may be given a chance for his life.

This forty minute rule, Mr. Speaker, is pretty much the same as a three months' note which a man has to meet: the time goes very rapidly. I have not an opportunity to develop any one of the questions which I should like to discuss, but I must hurry on now to the subject which is of supreme importance to me, namely, our fuel supply. We are all agreed in this country as to the great necessity of establishing some fuel policy—a national fuel policy if you will. We all admit that it is highly desirable that we should make this country independent in this respect. We have in Canada an ample supply of coal; at both ends of the country there are large coal deposits. But we are sending out of Canada over $100,000,000 a year for the purchase of coal which could be supplied from our own deposits if only we were able to make them available. Of course, our difficulty lies right there. These coal deposits are to be found on either side of the country while the great consuming portion of the population is situated about midway. It seems a somewhat sad commentary on our boasted civilization that under such circumstances the miners of Canada should be in dire distress and that public subscriptions should have to be called for in order to feed and clothe them during the winter. This is going on from year to year and nothing practical appears to be suggested. Surely something can be done and ought to be done to meet the situation. Our problem in the province of Nova Scotia is winter unemployment. During the summer months we are able to ship our coal to the St. Lawrence market, but for four months in the winter our mines are practically idle and our miners out of employment. Some sort of cure has been offered by means of the banking of coal in winter. This in my opinion is a very poor substitute, because after all the banking of coal in winter simply takes that amount of the market away in the summer time. There should be some more satisfactory way of solving this problem of winter unemployment.

During the past three years we have had a number of investigations into the coal question and various suggestions have been offered. The witnesses who have appeared before the committees all express a desire for a national fuel policy, but no one will tell us what that policy should be. I do not intend to propose what I believe to be a national fuel policy, but I do wish to submit to this government some constructive suggestions which I trust will have some effect in alleviating the circumstances of winter unemployment in Nova Scotia. Let me state the problem simply to the house. It costs us $3.80 a ton for coal at the pit mouth and another $3.80 to land it in Montreal; that is $7.60. American coal can be laid down there $2 cheaper than this figure. How shall we meet the competition? I confess that when I came to this parliament two or three years ago I had the idea that the whole question could very easily be solved; all that was necessary was a high tariff against coal coming in from the American mines in such large quantities. I have learned since that the tariff is only one factor in a very complex problem, and that if we are to cope with the question of unemployment in Nova Scotia there are three or four factors that have to be considered and three or four parties to the problem who will have to make sacrifices.

We have to meet American coal in the St. Lawrence valley, and to do so we must either cut our costs somewhat, or raise American costs to some extent, or do a little of both. I want to submit the suggestion to the government that it is possible to attain this end by a little sacrifice on the part of everyone. The operator must make some sacrifice and produce his coal at a rate lower than $3.80; the traffic man must make a sacrifice and transport his coal from Sydney to Montreal at a rate lower than $3.80, and the local government must make some sacrifice by refunding a portion, if not all, of the tax on the coal mined during the four winter months, because this is the particular time to which I am referring.

How are we going to do that? The idea is suggested by this famous Duncan report. Before the Duncan commission was appointed the maritime provinces were more or less in the doldrums; they were discouraged and rather hopeless; men were leaving and the industries were failing. The Duncan commission held sittings and brought in certain recommendations which, although they have not all been carried out, were still very hopeful, and the statement of the Prime Minister that it was the intention of his government to implement those recommendations had a wonderful effect throughout the maritime provinces. Now, the idea is this: Can we not have a commission similar to the Duncan commission to deal with this problem of winter unemployment in Nova Scotia? Let me make this suggestion to the government: Appoint a commission of five men, one representing the companies, one representing the traffic department of the great railway, one representing the industry, one leading business man and last but not least a representative of the miners of Nova Scotia, and let me say that the miners will send to that conference a man with an intelligence equal to that of any other man there present, and probably with a greater knowledge of the actual condition of affairs. There is no need to take any evidence; the evidence is all here and the facts are all in the possession of the Department of Mines. I am sorry the Prime Minister (Mr. Mackenzie King) is not here to-night, or I would try to secure from him an assurance of his willingness to consider the idea. Possibly the Minister of Finance (Mr. Robb) may give me his assurance. I venture to think that if such a conference as this is held a solution will be found, and a recommendation from that commission will be of sufficient weight, backed up by public sentiment, to effect a remedy for this great unemployment. This is not a cure-all; I am not offering this as a fuel policy but rather as a pure experiment to deal with this question in a practical way. Up to the present no person on either side of the house and no witness whom I have heard or of whom I have read has ventured to make any practical suggestion which would offer a solution of this difficulty.

This is an important and vital question to the maritime provinces. Every year we have a recurrence of these same distressing conditions; every year our miners and their wives and children are in dire distress and have to be helped with food, clothing and the other necessities of life. Surely the time has come in the history of this country when there is sufficient intelligence and patriotism on the part of the general public to make some sacrifice, not only to alleviate the sufferings of these men but that out of it may possibly grow something which will furnish a permanent solution of this very difficult problem.

Mr. A. E. BOURGEOIS (Kent, N.B.): Mr. Speaker, it is with a feeling of hesitancy that I rise on this occasion, because I readily understand that it is the duty of a member attempting to address this house for the first time to move cautiously; for there is always that danger of wandering too far afield and of having to be reminded to tread the straight and narrow path. For that reason, Sir, I will be brief in my remarks.

It is my first duty on the occasion of this, my first address in this house, to extend to you, Sir, my congratulations on your unanimous selection for the third time to the exalted position of Speaker of this house. This is unquestionable and conclusive proof of your nation wide known impartiality and of your unfailing courtesy and distinctive personality. Although most of the people of our province, so far as I am aware, have never had the honour of your personal acquaintance, I can assure you that your distinguished career in the service of our country is a household topic in the province of New Brunswick, and particularly in the constituency which I have the honour to represent. May I also say that we admire the province of Quebec for the number of talented and distinguished statesmen it has contributed to the public service of Canada.

It is also my desire to congratulate the leader of the opposition (Mr. Bennett) on his elevation to the position he now occupies at the head of the great Conservative party. I am particularly pleased at this because of the

fact that he comes from the province of New Brunswick and was born in the county of Albert, which is adjacent to my own county. I am confident that in time, if it is his ultimate destiny to become Prime Minister of this great Dominion, he will uphold the best traditions of our New Brunswick statesmen who have sat in the councils of the nation, and will bring to that exalted position those high ideals of the true Canadian statesman which he possesses in full measure.

It is also my pleasure to congratulate the mover (Mr. Ilsley) and the seconder (Mr. Beaubien) of the address in reply to the speech from the throne for the very masterly manner in which they performed their part. I can assure them that they have won not only the admiration of their constituents but also the respect of this house and of the entire country.

Unquestionably the outstanding event of every session of parliament is the presentation of the budget by the Minister of Finance. Although I was not a member of this house until 1926, nevertheless I have followed the trend of events very closely, and I am sure that the great majority of the hon. members of this house will agree with me when I say that at every successive budget presentation the people of Canada as well as the unbiased press of our country have been loud in their praise of the administration of the public affairs of Canada by the present government and the Minister of Finance (Mr. Robb) whose reputation as an honest, sound and economic administrator of the finances of Canada ranks high in the minds of the people. I believe that our expectations of sound economic progress throughout Canada have been again demonstrated by the minister in his presentation of the budget this year.

It is not my purpose, Mr. Speaker, to review what has taken place in Canada since the 14th of September, 1926, for many of the speakers on this side of the house dealt very ably with the conditions at that time when the speech from the throne was discussed. But, Sir, I must say that on that date the electorate of Canada responded nobly to the appeal to elect a stable government, a government with a truly national policy and one only for every section of Canada. Embodied in that policy are the three essentials of a moderate tariff policy, a policy of adequate protection for the manufacturers of Canada, and one of wider markets for every section and class of industry throughout our country. Do we need, Sir, any greater proof of the wisdom of this policy than the changed conditions brought about since 1921? Year after year we are witnessing a gradual reduction of our national debt. Year after year we are also witnessing a large favourable trade balance, and we are pleased to note this year an excess of exports over imports amounting to the large sum of $147,100,904, due, Mr. Speaker, not only to the wise policy of the government, but also to the indefatigable energies and cooperation of the agricultural and industrial population in every province of Canada. But special mention should be made of the agricultural population of the western provinces in contributing in such a large measure towards this favourable trade balance, and I desire to say, Sir, that the pioneers and their families who went west from the provinces of Ontario and Quebec and from the provinces down by the sea, and the folks who emigrated from the British Isles and other lands to western Canada, deserve the greatest commendation for their courage and perseverance in carving out of the Northwest territories the beautiful provinces of Manitoba, Saskatchewan and Alberta. They have accomplished the great achievement of making of western Canada the greatest wheat producing country in the world, and have thereby also contributed to a great extent to the success of the two great railway systems of Canada.

But one must not forget that Ontario, the banner province of Canada, has been a great factor in increasing our favourable trade balance, due to the highly industrialized conditions in that province and its intensive agricultural production. Another contributing factor has been the province of Quebec with its immense resources of forest wealth of wood pulp products and its sane economic hydro development policy, which have had the effect of attracting an enormous amount of foreign capital to that province.

It is true, Mr. Speaker, that in New Brunswick our progress has not been as marked along agricultural and industrial lines as that of the central and western provinces. That is due to some extent to our geographical situation and to our remoteness from the markets of the central provinces; also to the almost prohibitive tariff which prevents us from placing our surplus agricultural products in the markets of the United States, particularly potatoes, of which we have a large surplus every year and on which there is a duty of 50 cents per 100 pounds. Not only does that tariff adversely affect our agricultural population, but it also prejudicially affects our fishing industry to the extent of two cents per pound on mackerel, two cents on halibut and one cent on cod. It is therefore of the utmost importance to the maritime provinces that the government should undertake negotiations at

the earliest opportunity whereby our products of the soil, the forest and the sea may be admitted to the United States market under most favourable conditions.

But Sir, notwithstanding the disadvantages in that direction a spirit of optimism prevails throughout the province of New Brunswick, and a feeling of the greatest confidence in the future. This spirit has been stimulated by the fostering influence of the government in the opening of wider markets and by the negotiations of the British West Indies treaty; and with the prospects of a greater expansion of trade with the Central and South American republics the agricultural population are bending their energies to a more intensive agricultural production. As a proof of that assertion I may say that the estimated value of our field crop production in 1927 was $23,596,000. Of potatoes alone we had under cultivation 46,998 acres yielding to the farmers of New Brunswick at a conservative estimate a return of $5,423,000. Not only are they directing their energies towards a greater agricultural production but they are also paying attention to the dairy industry. In 1925 our dairy production amounted to $7,663,174. In 1926 it amounted to $8,046,743, a production which is still insufficient to meet the requirements of the home consumption of the province, particularly in butter. If the same increase is kept up from year to year we shall very soon, I hope, have a surplus. Until then the agriculturists of New Brunswick will have no cause to complain of the effects of the Australian treaty in so far as its results upon the butter market are concerned.

Coming to the fishing industry of the province of New Brunswisk, I must say that it is of the greatest importance to a large population located in the area extending from Campbellton on the Baie des Chaleurs to Cape Tormentine on the southernmost extremity of New Brunswick on Northumberland strait, an industry from which the fishermen benefited to the extent of $2,375,000 in 1926, and $2,520,722 in 1927. May I point out that the county of Kent occupies a very prominent position in that regard, particularly in the catch of lobsters and oysters. Within my constituency we have two lobster fishing seasons, one applicable to the district extending from Point Sapin on the north to Chockfish on the south, which opens on April 26th and closes on June 26th, and the other applicable to the district from Chockfish to River Philip in the county of Cumberland, Nova Scotia, opening on August 15th and closing on October 15th. Between the two last mentioned points there is unquestionably great dissatisfaction among the fishermen due to the lateness of the opening date. I would point out to hon. members that owing to the prevailing high winds and frequent and sometimes very violent and disastrous storms, the fishermen are unable to overhaul their lobster traps, and as a consequence can avail themselves of but three weeks out of a period of two months. The result has been that a great many have abandoned their occupation. I therefore hope that the royal fisheries commission in their investigations will have found conditions such as to justify the recommendation that the lobster season instead of beginning on August 15th and ending on October 15th, begin the first of August and end the 30th September. I would further particularly recommend that in order that our fishermen may be protected in their at all times hazardous and dangerous occupation in the open seas of Northumberland strait, where frequent storms arise which are sometimes very disastrous to life and property, more protection be afforded along our coast. In this connection, I would point out to the Minister of Public Works (Mr. Elliott) that in the county of Kent breakwaters are absolutely essential at St. Louis, Maillet's gully and Caissie cape for the protection of our fishermen along that part of the coast.

As regards the Duncan report, we are particularly grateful to the government for implementing the recommendations contained therein, especially the twenty per cent reduction in freight rates, a reduction which is and will be of incalculable benefit to the agricultural, commercial and industrial life of the maritime provinces. In regard to the recommendation with respect to railway matters in Kent, I hope the government will at an early day so adjust matters as to relieve the unsatisfactory conditions which have existed in the northern part for many years.

Another recommendation of the Duncan report, which is implemented and for which the fishing population are very grateful, is the appointment of the royal fisheries commission to inquire into fishing conditions in the maritime provinces. Its report when submitted will, I hope, tend in a large measure towards remedying the grievances of the fishermen and also towards a greater development of that very important industry in the maritime provinces.

In conclusion, it is my pleasure to say that we have in New Brunswick a strong and virile population characteristic of the two great English and French-speaking races, living in the most perfect harmony and

mutual good fellowship, and conscious of their duty to assist in making Canada a happy, prosperous and united country.

On motion of Mr. Arthurs the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.05 p.m.

Friday, February 24, 1928

The house met at three o'clock.

SELECT STANDING COMMITTEES

Hon. ERNEST LAPOINTE (Minister of Justice): On behalf of the Prime Minister (Mr. Mackenzie King), I beg to move, seconded by the Minister of Finance (Mr. Robb):

That the names of Messieurs Duff, Sinclair (Queens), Jacobs, Descoteaux and Glen be substituted for those of Messieurs Bourgeois, Boivin, Delisle, Fafard and Steedsman on the select standing committee on agriculture and colonization.

That the name of Mr. Lacroix be substituted for that of Mr. Kay on the select standing committee on railways, canals and telegraph lines.

That the name of Mr. MacLaren be substituted for that of Mr. Price on the select standing committee on marine and fisheries; and

That the name of Mr. Price be substituted for that of Mr. MacLaren on the select standing committee on printing.

Motion agreed to.

PRIVILEGE—MR. BIRD

On the orders of the day:

Mr. T. W. BIRD (Nelson): I rise to a question of privilege. I wish to quote from an article which appears in The Evening Guide, a newspaper published at Port Hope, Ontario, and I trust the house will restrain its sense of humour until I have concluded the quotation. The article in question, which appears in the issue of this newspaper of Monday, February 13, in commenting upon the bill which was introduced in the house a few days ago by the hon. member for Winnipeg North Centre (Mr. Woodsworth), for the purpose of amending the criminal code in respect of blasphemy, makes this statement:

The personality of those who supported the bill is worth a passing notice. It was introduced by Mr. Woodsworth and supported by Mr. Bird.

That is misstatement No. 1.

Remarkable to relate both these members of the house are ex-clergymen.

Misstatement No. 2: I am no more an ex-clergyman than the leader of the opposition (Mr. Bennett) is an ex-lawyer.

[Mr. Bourgeois.]

The former was a teacher or professor in the Winnipeg Methodist Theological College a few years ago.

This, I understand, is false: misstatement No. 3.

The latter was a prominent preacher of the gospel in one of the western provinces.

That is a slight exaggeration.

The question might very well be left just here, without note or comment.

But apparently the writer cannot withstand the temptation to slander, so he proceeds:

All that might be said of this extraordinary exhibition will readily occur to every right-thinking person. One cannot but hope that in the inner consciousness of each of these gentlemen some ray of light may pierce through the outward darkness that enshrouds what was once their better selves. Milton depicts Lucifer's fall as immeasurably tragic, because he had held an honoured place with the most high. One wonders at the strange perversion of an erstwhile religious mind contemplating the advisability of removing all restrictions to the flood-gates of heart-breaking, vile, shocking and contemptuous blasphemy, under the childish plea that liberty of speech is being fettered. It is a sad commentary, however, that the withdrawal of clergymen from their calling and their entry into public life in this country, has been disappointing and in many cases truly tragic. In no single case has any one of these clergymen been anything but a disappointment. Not a few but have gone wrong morally.

So much for this paper. I turn now to The Port Hope Daily Times of February 17. This newspaper prints the following:

The Rev. Mr. Woodsworth and the Rev. T. A. Bird of Nelson—

Not ex-clergymen this time.

—want to strike out the section of the criminal code under which Sterry was convicted, so that in future particularly red orators would be free to blaspheme at will. The language used by Sterry in the paper he published was of a most revolting character and made cold shivers creep up the spines of even those who cannot be termed religious, and one of the ministerial members of the house is so much enamoured of it that he attempted to read it to the house. Hon. Mr. Bennett, however, objected to the pages of Hansard being thus polluted and Rev. Mr. Bird took a second thought and desisted.

I will overlook the comparison between the religious zeal of the leader of the opposition and that of myself; it is very much to my disadvantage. However, I want to say that in regard to the first—

Mr. POWER: I rise to a point of order. We have on two or three occasions in the past listened to personal explanations from members of this house, to corrections of misstatements, or to commentaries on statements or articles which have appeared in the press. Possibly we were right in treating these as matters of privilege, but I respectfully submit that we should not regard as a

question of privilege the reading, with comments upon them, of lengthy newspaper articles.

Mr. SPEAKER: Bourinot is very clear on this subject. He says:

When a member conceives himself to have been misunderstood in some material part of his speech he is invariably allowed, through the indulgence of the house, to explain with respect to the part so misunderstood.

He concludes the paragraph by urging that such explanations be brief.

Mr. BIRD: It seems to me, Mr. Speaker, a much more serious matter for a member of this house to have his standing before the public, especially in relation to his religious convictions, scurrilously slandered in the manner adopted by these newspapers. Surely I can claim the protection of the house from that kind of thing. These articles attempt to brand me in the eyes of my fellow-religionists as being unworthy of the name I profess and of the profession I have followed for a good many years. I desire to call the attention of the house to what I actually said on the occasion in question. When this matter was before the house I was careful to make my point of view clear. I had not intended to speak to the bill at all; I knew nothing about it. But when my hon. friend from South Toronto (Mr. Geary), perhaps unintentionally, cast an imputation upon my hon. friend from Winnipeg North Centre, I rose and at once explained why I took part in the discussion. I said:

Now, I take part in this discussion in order to protect my friend from Winnipeg North Centre (Mr. Woodsworth) from what I consider to be the unjust objection of my friend from South Toronto (Mr. Geary).

Mr. POWER: Mr. Speaker, I again rise to a point of order. This is nothing more or less than an attempt to justify the participation of the hon. member in some debate, and I suggest that if his words on that occasion were not considered by the house to be sufficient justification for his stand, the matter should be allowed to drop.

Mr. SPEAKER: I have already said that these explanations must be brief, but at the same time in justice to the hon. member I must remind the house that Bourinot says that in all cases of personal grievance the house will frequently cast aside rigid adherence to established usage in order to permit a full explanation to be made. I think the comments made by the hon. member justify him in explaining his attitude to the house, but I again call upon him to be as brief as possible, because time is precious.

Mr. BIRD: I am just following the example set as recently as yesterday by a much more experienced parliamentarian than myself. On that occasion the hon. member's opinions were under attack, while in this case my character is being assailed. Any hon. member can read my few remarks through and see at once that I have been grossly slandered and misrepresented. It is my view of religion that when a friend of mine seems to be suffering under an unjust imputation, I should immediately come to his aid, and I would also say as the hon. member for St. Lawrence-St. George (Mr. Cahan) said yesterday, that there should be some protection for hon. members of this house against attacks of this kind. If there is one kind of blasphemy worse than another it is not the blasphemy of the soap box atheist who shouts on the street corner, but rather the blasphemy of the man who poses as a champion of religion, and while in that pose makes an uncalled-for attack upon the character of another man.

Mr. HOCKEN: Perhaps these editors wrote inadvertently.

PRIVILEGE—MR. ADSHEAD

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, I also rise to a question of privilege, but it is quite different from that raised by my hon. friend from Nelson (Mr. Bird). In addressing myself to the house yesterday I made the statement that the Minister of Finance (Mr. Robb) had addressed a meeting in Calgary, during the course of which he stated that $30,000,000 had been saved to corporations by his tax reductions, and that that saving was passed on the men below. The Minister of Railways and the Minister of Finance were both present at that meeting, and they have drawn my attention to the fact that I entirely misunderstood the remarks of the minister. It was quite unintentional, and I assure hon. members of the house that I had no desire to misquote my hon. friend. Therefore, accepting their statements as I do, I withdraw that portion of my address which relates to that particular statement made by the Minister of Finance.

PRIVILEGE—MR. GARLAND (BOW RIVER)

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I rise to a question of privilege. Yesterday the hon. member for South Huron (Mr. McMillan) is reported at page 715 of Hansard to have said:

The hon. member for Bow River tried to hoodwink me when he wanted the support of Ontario to the subsidizing of the railways in the matter of bringing coal from Alberta.

I am quite sure the hon. member did not intend to misrepresent me, so I simply state to the house that I have privately and publicly expressed my disapproval of any subsidy for the movement of coal from my province to any other place, and through the mouth of its Premier the province of Alberta has done likewise. The operators of that province also, at a recent meeting, unanimously passed a resolution asking that the transportation be carried out without subsidy.

TARIFF ADVISORY BOARD

STENOGRAPHIC REPORTS OF EVIDENCE

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Yesterday the Minister of Finance laid on the table sessional paper 132, in which the following words appear:

As stenographic reports of the public hearings are now taken, copies of the stenographers' notes have been filed with the Minister of Finance. These cover all hearings during the year 1927. The chairman has also filed with the minister his general report on the activities and proceedings of the board since he was appointed to office.

This has reference to the proceedings before the tariff advisory board, and I would ask the minister whether he would lay on the table for the use of the members of the house the stenographic reports of the public hearings before the board during the year 1927, together with the report of the activities and proceedings of the board as prepared and filed by the chairman.

Hon. J. A. ROBB (Minister of Finance): I shall be glad to table any information I have received from the board in that regard.

IMMIGRATION ESTIMATES

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I would like to draw the attention of the Minister of Immigration and Colonization (Mr. Forke) to his estimates on page 22 of the estimates as laid on the table of the house, and to ask him whether he will prepare and have printed and circulated for the use of the members of this house the details of votes 55 to 60 in those estimates, that we may intelligently and, we hope, usefully criticize his estimates. In part H of the Auditor General's report there is a statement in detail of the expenditure under the vote of last year, and it is quite clear that unless some further detail is given no useful criticism can be made of the current estimates. We would therefore like the minister to prepare and circulate the details of these votes, having regard to the terms of part H of the Auditor General's report, which indicate the actual expenditures of last year. I believe the right hon. Prime Minister will quite agree that in these circumstances we may be able to act as a committee on the estimates, and may be able to offer some useful advice with respect to expenditures in ports such as St. John and Halifax and other places, but as the vote now stands, composed of only five items, it will be quite impossible to make that useful criticism which is so essential in order that this vote may be understood by the house and by the country. If the minister could prepare this detailed statement and have it printed and circulated before these items are considered it will be greatly appreciated.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I will be only too happy to agree with the suggestion of my hon. friend, just as far as it is practicable.

Mr. BENNETT: That is all that is intended.

REPORT OF FISHERIES COMMISSION

On the orders of the day:

Mr. W. G. ERNST (Queens-Lunenburg): I desire to ask the Minister of Marine and Fisheries if he is able to give the house any further information as to when the report of the royal commission investigating the fisheries of the maritime provinces will be tabled in the house.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I regret that I am not in a position at present to fix any date for the presentation of that report. My present information is that the commissioners are losing no time in preparing it, and I will inquire about the date of its completion and inform my hon. friend not later than Monday or Tuesday.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Thursday, February 23, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, there are two outstanding questions which are engaging the attention of the thinking citizens of Canada at the present time. One is how to continue what pros-

perity we already have in Canada and how to increase it, and the second is how to increase our population in order that among other things we may lighten the burden of taxation throughout this Dominion. We on this side of the house rejoice that there has been a certain amount of increased prosperity in Canada. With our vast country, our great natural resources and our industrious people this was inevitable, but I want to point out that this increase in prosperity is due to no action on the part of the present government and, as a matter of fact, has come to Canada in spite of the acts of this government. I also point out that there is nothing in the present budget calculated to induce greater prosperity in Canada at the present time. The chief causes of the increased prosperity can be summed up under four heads: In the first place we have had three years of bountiful crops, thanks to Providence, and those crops have been sold by the farmers at prices much greater than existed in pre-war days. In the industry of animal husbandry a similar increase has also occurred, and good prices have been obtained. Consequently the farmers of Canada to-day, no matter in what province they may reside, are in a better position, relatively speaking, than they have been for some time.

The second great industry in Canada which has been prosperous is the mining industry. Here again we find the federal government is exercising no control or very little. The mining industry in Ontario, the province from which I come, is going ahead by leaps and bounds, largely on account of the measures taken by the provincial government. That government sent its Minister of Mines over to the old country on a very successful visit to interest British capital in the mines of the province. The mines of Quebec, I believe, are in a similar condition; and in almost every province of Canada the mining industry is increasing with the result that towns are springing up everywhere, and other industries are developing in connection therewith. The same thing may be said of the pulp industry, which is one of our largest industries. This is almost entirely under the control of the provincial government and is not subject to the whim or the control of the present government at Ottawa.

We have a fourth industry to which I should like to call attention for a few minutes, one that is gaining in importance every day in Canada—I refer to the tourist traffic. During the last few years it has grown at a wonderful rate, until it is estimated that last year the money left by tourists in this Dominion represented a total of upwards of $200,000,000. The traffic has been largely brought about by the construction of good roads in the various provinces. The movement for good roads originated, really, through a grant from the federal Conservative government for improved highways, and the movement for good roads has grown throughout the Dominion to such an extent that almost every Canadian province is spending a large part of its revenue in connection with improved road systems. The result is that the tourist business in increasing every year and will continue to increase, notwithstanding the fact that nothing at all is being done by this government to advertise Canada in that way. A few years ago, I believe, some advertisements were sent out by the Immigration department but these have been discontinued largely so far as I know.

Mr. STEWART (Edmonton): I am afraid my hon. friend has not been reading the press.

Mr. ARTHURS: There are a few pages of advertising published here and there, but very few.

Mr. FORKE: A lot of money has been spent on advertising.

Mr. ARTHURS: I have no desire to preach blue ruin or anything of that nature, but I should like to point out that a good deal of the prosperity which has been advertised so freely by hon. gentlemen opposite is nonexistent. We have reports showing that our banks are prosperous, and we believe it to be the case, but what consolation is that to the man who is out of a job, the man who has lost his occupation in some factory in this country? The immense amount of life insurance in force has also been cited. May I point out to the house and to the country that the great part of this life insurance is in the nature of investments by wealthy men, men who are anxious to avoid paying income tax and to provide that when they die their estates shall not be subject to taxation either.

The point that we are interested in mostly is this: Are conditions better in the country and in our small towns since the advent of this government, or are they worse? There can be no question but that in almost every town in this country the conditions are worse than they were four or five years ago. Our young men are leaving for the United States, hundreds have already gone, and no matter what the government may say these men are remaining in the country to the south, they are not returning. I think the member for Vancouver-Burrard (Mr. Clark) gave the house some figures on this subject from an American report yesterday. I should like to

quote some further figures in order to show the extent of this movement of Canadians to the United States. During the six years, from 1922 to 1927, 645,212 Canadians left Canada for the United States. They paid their head tax and went there with the intention of becoming permanent residents of that country. During the same years the proportion of Canadians going to the United States has vastly increased. For instance, in 1921, the proportion of Canadians to the total number of immigrants entering United States was 9 per cent; in 1922 it was 15.01 per cent; in 1923, 22.04 per cent; in 1924, 28.04 per cent; in 1925, 34.9 per cent; in 1926, 30.07 per cent; and in 1927, 25.03 per cent. In other words, during the last five years practically one-third of all the emigrants to the United States were from Canada and were Canadians, because these figures do not apply to other than native born Canadians. I would also point out that in the fiscal year, 1926-27, of the total increase in the population of the United States 88,023 were Canadians. That is to say we permitted 88,000 more Canadians to go to the United States than returned from that country to Canada. The claim is made that Canadians are returning from the United States. I should like to point out that according to the United States report of naturalized citizens leaving that country for Canada, 721 are given as Canadians; these in addition to 10,374 Americans. This shows conclusively that the exodus of Canadians to the United States is not at an end, and that we are losing vast numbers of our population to that country. In 1881 our population numbered 4,324,810. Since that time the volume of immigration to this country has amounted to 5,436,663, which should give us a population of 9,761,473. In addition to that we should have had a natural increase in population, estimated by the best judges to be upwards of 100,000 per annum. If we had retained this annual natural increase, amounting approximately to 4,000,000 souls, we should have a population to-day of 13,761,473. But such is not the case and it is apparent that we have lost by some means or other a population of upwards of 4½ millions.

As a matter of fact it is well known that our present immigration system is an absolute farce. We are supposed to hand-pick immigrants, and in many cases they do not stay in Canada but leave after a very short time. If we were to contrast our present system with that of the past we would certainly find it would be better to go back to the old system of allowing everybody to come in. For years we had a large immigration and a vast majority of the men coming in made good. We do not need to go outside of our ranks in the House of Commons to-day to see the result of the immigration policy of the past. We have in this house at the present time thirty-one members who were immigrants to Canada; in other words, twelve and one-half per cent of the total number of members in this house were born outside of this Dominion. These men made good and, as a matter of fact, many of them boast that they came to Canada without any advantage either monetary or otherwise, but under the present system they would probably not have been allowed in at all. I wish to point out also that these men were not all farmers. As regards nationality there were nine English, twelve Scotch, four Irish and six from the United States, and of the whole thirty-one members only ten were farmers. Yet these men have made good in this country and in the majority of cases we are pleased and proud to have them here.

I do not know whether the government purposes taking up the views of all their associations, but I find in yesterday's Ottawa Citizen a resolution passed by the Liberal association of a city close to this, advocating among other things that we have no more immigration in the meantime because we have some men out of work, and in the second place that, if we do have any immigration, it should be confined to farmers only, and if they leave their farms inside of ten years they ought to be arrested and deported. I do not know whether the minister is taking up that resolution or not, but I would recommend it to his consideration as being about as good as some that he has at the present time.

One of the principal problems we have now undoubtedly arises from the fact that we have a large debt owing to the war and we must increase our population in order to make this debt less burdensome upon the individual. This government, during the period it has been in power, has done absolutely nothing to remedy this condition. We lack the greatest of all remedies, namely, sufficient protection for our factories, our farmers and our labourers so that they can supply the home market. I know that many, especially our western members, speak very lightly of the home market and claim that, as they have to sell in the world market, they should also be able to buy there. But this does not apply at this time to the majority of our farmers, who know the value of the home market, and I would point out to my friends from the west, those who are engaged largely in wheat growing, that the

day is inevitably coming when the Russian republic will again enter the field as a producing nation. With her two hundred million people, with some of the finest land that, to use a common saying, lies out of doors, these people will come into direct competition with the farmers of Canada and the United States. In addition, other countries are liable to be developed along the same line, and the day will come, I believe very soon, when the importance of the home market will be felt even by those who are grain growers solely, as it has been felt by others. The hon. member for Comox-Alberni (Mr. Neill) last year made a speech, part of which was probably the greatest protection speech I have ever heard, wherein he pointed out that little towns were springing up in British Columbia and that the farmers in their vicinity found a market there for everything they could grow. The same principle should apply throughout Canada; we should develop our little industries, develop our towns and, if possible, have all our manufacturing for Canadians done in Canada.

Sometimes in this house too much weight is given to the farmer side of this question, and our friends are liable to overstep the mark even as regards their facts and figures. For instance, last year, a certain member belonging to the group to my immediate left, was speaking of Canada's exports and imports and he made this remark.

Mr. SPENCER: What is the name of the hon. member?

Mr. ARTHURS: The then hon. member for Maple Creek. He made the remark:

> We have one billion and a half dollars coming into Canada as a whole from all agricultural products.

Mr. GARLAND (Bow River): He is not an hon. gentleman to the immediate left of my hon. friend. He was over there.

Mr. ARTHURS: Well, he moved. I withdraw the implication. If we look up the statistics of this government we find that the hon. gentleman was mistaken to the extent of about 100 per cent. Our exports of farm produce are undoubtedly large and they should be larger; we should give our farmers every encouragement to produce and to export; but at the same time the exports are not proportionately as large as the hon. member endeavoured to make out. The total exports for last year of farm produce of all classifications amounted to $702,000,000, and these were classified in various ways. I would like to call the attention of the house to some of these articles classified as farm produce because they are most interesting. For instance, blueberries, groceries of all kinds, ale, gin, whiskey and other potable spirits, are all included under the head of farm products in a government return.

Mr. CHAPLIN: All the fish products of Canada will also be found there.

Mr. ARTHURS: Under farm products are included cigars, cigarettes, plug and twist tobacco, all other tobacco, pine tar and pitch, turpentine, linen and jute manufactured, and oilcloths. The amounts are large. For instance, our exports of whiskey and various other potable spirits amounted last year to about $28,000,000, and these are all included in farm products. Under the head of animal products we find harness leather, sole leather, upper leather, all other leather, glue stock, tankage, belting of leather, moccasins and Indian slippers, boots and shoes of leather, gloves and mitts of leather, harness and saddlery, and so on. If we turn over the page we find farm products including wool carpets, wool fabrics, wool underwear, wool clothing, woollens and glycerin. Incidentally, probably the export of farm products is one of the most prosperous businesses the government have, and if they did not export whiskey, they could not claim a surplus perhaps even according to their own book-keeping.

We on this side of the house, Mr. Speaker, have no objection at all to doing those things that are necessary to make any part of Canada prosperous. I do not think there was a dissenting voice on this side to any of those measures which were found necessary to build up our maritime provinces and to give them the rights to which they are entitled. We have for years in the central portion of Canada, in the provinces of Ontario and Quebec, been paying the bulk of the profits, if any, of our Canadian National Railways. Our friends in the west have been enjoying, and we granted it to them quite willingly, the benefit of much lower rates than obtain in Ontario and Quebec. We are glad to do these things, but in return we feel that we should receive some consideration for those factories which have been established in Canada for many years. Go where you will in the province of Ontario or elsewhere, where years ago there were small knitting factories, woollen factories and various other small factories, to-day we find that they have been put out of business largely perhaps on account of neglect by the government, and sometimes through adverse legislation. There is not a civilized country in the world at the present time that is a free trade country. In Great Britain the duties have been raised

from time to time until to-day that country is a more strongly protected country in many lines than is Canada. Great Britain has a flexible scheme for the protection of its industries, under legislation that is known as The Safeguarding of Industries Act, under which the control of the customs is placed in the hands of the British Board of Trade, with power at any time to increase or decrease a duty when they feel that there is unfair competition because of lower wages in competing countries, a different standard of living, or from any other cause. They have power, for instance, to decide:

> Whether foreign goods of the class or description to which the application relates are being imported into and retained for consumption in the United Kingdom in abnormal quantities.
>
> Whether the foreign goods so imported are being sold or offered for sale in the United Kingdom at prices which are below the prices at which similar goods can be profitably manufactured or produced in the United Kingdom.

Another clause reads that competition is not to be deemed unfair unless it arises, amongst other things, from:

> Inferior conditions of employment of labour, whether as respects remuneration or hours of employment, or otherwise, obtaining amongst the persons employed in the production of the imported goods in question as compared with those obtaining amongst persons employed in the production of similar goods in the United Kingdom.

It goes on to outline the whole procedure by which duties in Great Britain may be increased or changed without the consent of parliament at all, and as I said, the duties are being raised until some of their industries are better protected than ours. In the United States the same thing obtains. I think it was the hon. member for Fort William (Mr. Manion) who the other day gave a case where goods had been purchased by an American importer from Canada, and before the goods reached his warehouse the duty had been about doubled. I know of my own personal knowledge a case in my home town where a manufacturer has been selling goods to the United States, and after a contract has been made the duty has been increased to such an extent that it amounted in one case to over one hundred and fifty per cent. In self-defence, Mr. Speaker, I think we should do something to protect our workingmen, and for the benefit of the country generally.

Some splendid speeches have been made during this present session regarding the condition of the iron and steel industry in Canada. We have in Canada billions of tons of iron ore, and it is a burning disgrace that we have to acknowledge that during the last three or four years we have not produced a single ton in this country. The government of the province of Ontario a year or so ago offered to give a certain bounty for the production of Ontario iron, and I believe the Prime Minister of the province of Quebec made a similar offer, providing this government would come into the scheme and pay a fair proportion of the bounty. Nothing has been done in that direction. Yet we find that this government is able to spend, or is pledged to spend $2,000,000 to convert a couple of small blocks in this city into a park. I want to tell this house that if this $2,000,000 were spent in bounties or otherwise to help develop the iron industry in Canada, it would give employment to thousands of our unemployed Canadians and immigrants.

In conclusion, Mr. Speaker, I want to ask a few questions.

Will this budget help to make Canada prosperous?

Will it help the farmers or the workingmen?

Will it keep our boys in Canada?

Will it cause the wheels to turn in the factories that are now idle?

Mr. ROBB: None idle now.

Mr. ARTHURS: I am afraid the Minister of Finance is not a great traveller. This budget will increase industry in a slight degree, but it will be industry in another country; it will not increase industry in Canada, and the increase in industry in those other countries will be at the expense of Canadians and drive more of them out of this country to find work elsewhere.

What we need is a policy that will utilize the raw materials we have in this country. We should manufacture them into the finished product in this Dominion so far as possible, instead of sending those raw products to another country and buying them back in their finished state at an exorbitant price. In other words, Mr. Speaker, what we need to-day is a real policy of Canada for the Canadians, and not for anybody else.

Mr. W. A. HALL (South Bruce): Mr. Speaker, at the outset, I wish to congratulate the Minister of Finance (Mr. Robb) on the sound condition of the finances of this country as shown by the budget, as well as upon his courage and good sense in taking advantage of the circumstances that made this condition possible, notwithstanding the fact that the hon. member for South Wellington (Mr. Guthrie) accused him of lacking courage. The same hon. member accused him of deceiving the country by his method of dealing with the amounts guaranteed by the govern-

ment to the Canadian National Railways, which makes it appear that the debt of the country has been reduced when it has actually been increased by over twenty million dollars. He further said that all finance ministers prior to the present minister had added these guaranteed amounts to the national debt, instead of charging them to the particular railway company. But the Ontario government, he said, had five or six years ago evolved a plan to pay off the provincial debt in about thirty years, and so far had found no inconvenience in carrying it out.

Now, Mr. Speaker, I may say that none of these statements is in accordance with the facts. What are the facts? First, I need only say that this house as well as the country knows that the Minister of Finance not only has courage, but he also possesses honesty and modesty in a marked degree, characteristics possessed by few so-called politicians. His financial statement disproves the second accusation as to the increase of the national debt. If the hon. member for South Wellington will look up the records he will find that the $124,000,000 guaranteed by the Laurier government from 1896 to 1911 was not charged to the national debt; he will also find that the $170,000,000 guaranteed by the governments between 1911 and 1921 similarly was not added to the public debt. As to the Ontario government's scheme for retiring the provincial debt, the hon. member is wrong in saying that it was evolved five or six years ago. The Ferguson government was not then in power. He is also in error in stating that the scheme is to extend over thirty years; forty years is the term. As to his statement that the Ferguson government have found no difficulty in putting the scheme into practice, I may tell him and this house that the provincial treasurer has had to acknowledge a deficit every year since Premier Ferguson assumed office. The first year it was fifteen million dollars, the second year eight million dollars, and the third year five million dollars. This year for the first time the provincial treasurer finds himself able to balance his budget and announce a surplus, due principally to the profits from the government liquor stores. Presumably from now on the debt retirement scheme will be put in operation.

Turning to the budget, Mr. Speaker, this presents reductions and increases—reductions in taxation and the national debt; increase in trade and revenue, with a substantial surplus. The Minister of Finance is able to announce reductions in direct taxation as well as in indirect taxation, the sales tax, income tax and corporation tax being reduced. The reductions in indirect taxation, that is the customs tariff, are largely in the duties on textiles—cottons, woollens and linens. As these belong to the necessaries of life, the reduced tariff will lower the cost of living, and thus lessen the burdens of the working classes. The national debt has been reduced by $41,896,729, leaving it at the net figure of $2,306,000,000. During the five years the Liberal party has been in power the national debt has been reduced to the extent of $144,700,000.

The trade of Canada has been increasing by leaps and bounds. Canada ranks second among the exporting countries of the world, and fourth among the world traders. Our total trade, both exports and imports, for the nine months ending December 31 last, amounted to $1,793,209,092, leaving a favourable balance of trade of $147,100,904, as compared with an unfavourable balance of trade of $29,000,000 during the last year of the Meighen administration. But the most unfavourable balance of trade in the history of Canada was $222,000,000, or $29.61 per capita, in 1913 under Tory rule and a protective tariff which did not protect; while in 1926 Canada had a favourable balance of trade of $29.34 per capita under Liberal rule with a tariff for revenue only. During the year there has been a large increase in the revenue and a corresponding increase in the surplus. The revenue exceeded the expenditure by $54,815,000. After deducting the non-active assets, there is still left a net surplus of $41,896,729 which was applied to reduce the national debt.

According to the press of both political parties, Mr. Speaker, the fifth Robb budget is being well received by the major portion of the people. But it must be confessed that this budget, in relation to the customs tariff, is not comprehensive and far-reaching enough to satisfy a minority of the agricultural class of this country. They must remember, however, that this is the beginning of reductions, not the end; among the first, not the last. Reductions shall continue until the primary or basic manufacturing industries are free to compete with the world, having no tax, no tariff, or no protection. In bygone days agriculturists were looked upon as inferior to other classes. They were dominated by other interests because they knew not their needs, they knew not their strength, and they were not organized. To-day all that is changed. Agriculture is conceded by almost everyone to be the basis of Canadian prosperity. The agriculturists have organized. They have expressed their needs in clear-cut terms. They have made their demands with no uncertain sound. They are cooperating in buying as well as in selling, thinking that cooperation

is the keynote of agricultural prosperity, as it was thought to be in Denmark, whose people now boast that they enjoy a fair share in the distribution of wealth and prosperity of that country. But, Sir, I say that unless agriculture can be put on a paying basis the rural population cannot be satisfied, happy and contented.

Let me mention some of the reasons why agriculture does not pay:

1. Lack of science in tilling the soil, and in breeding, feeding and caring for live stock. Education along these lines is fast becoming more general.

2. Lack of discretion, or, shall I say, lack of sense, in decrying or condemning—or damning—their own occupation by branding it as drudgery or slavery, and by everlasting complaints. Doubtless this has driven, and is still driving, the young people from the farms to the urban centres more than any other cause—the net result being the concentration of industry and population in these centres at the expense of the rural districts.

3. Lack of labour. This is a natural consequence of the preceding cause.

4. Lack of working capital. This may be the natural outcome of preceding causes.

5. Lack of credit. This comes from a lack of capital. This has been partially overcome by the rural credit bill of last session.

6. Lack of business methods in doing business. Doubtless many farmers are like medical doctors who think that they are too busy to attend to business properly outside of their daily routine of work.

7. Lack of moderately-priced implements or manufactured articles. This arises from taaxtion, which I shall refer to later.

8. Lack of cheap transportation and distribution of products. This is partially overcome by cooperation.

9. Being reckless and profligate in buying luxuries. This is the last but not the least, cause for farming not paying. Luxuries may be coveted and may be desirable, but they reduce the profits of the farmer enormously.

As agriculture is the recognized source of greatest wealth, we have to depend chiefly upon it to meet our national liabilities, assisted by the products of forest, mines and fisheries. These are the main sources of real wealth we have to rely upon to restore our country to a healthy and sound financial condition. Of these, agriculture is the greatest; it produces annually more than the other three combined. The Financial Post gives the production of agriculture for the year 1927 as $1,660,387,100 and the production of the other three as $811,446,000, or less than half that of agriculture. Hence the important part the farmer plays in the economic welfare of the country. From his soil is furnished the food which is the foundation of labour for all classes. Without him the other classes could not exist. As consequently the prosperity of all classes depends upon the prosperity of the farmer, we should, as far as possible, remove every obstacle in his way so as to enable him to secure for himself a fair share of material wealth and happiness. I need not say that the chief obstacle which prevents the farmer from making a fair profit from his investment is the high cost of living, and this is due to the customs tariff, principally on the necessaries of life and on the implements of production.

But it will be asked, what about the manufacturer? He says he must have protection or must close his factory and so throw a lot of men out of their jobs; if this should happen just imagine the multitudes of unemployed! Well, recall the story of the closing of General Motors at Oshawa two years ago when the duty was lowered on automobiles and their accessories. We all know what the result was. Others say that the country must have revenue to meet its liabilities and pay off its immense debt. Let us apply this to the farmer. If you tax his implements of production—his binder, mower, horse-rake, plough, harrow, threshing machine, wagon and so forth, you take away from him the money that he has earned by the toil of his hands and the sweat of his brow and transfer it to the bank account of the manufacturer who has already millions which have been taken from his fellow farmers by means of the tariff. Thus you see that this money does not go into the revenue of the country and so does not contribute one penny towards meeting the liabilities and debt of the country. Manifestly this answers the Tory cry for revenue raised in this way.

The farmers of this country have always been anxious for reciprocity with the United States in natural products since the termination of the first reciprocity treaty in 1866, as they have a large export surplus of agricultural products and so must find a market for them. Take wheat for instance: only about one-sixth of the production is required for home consumption, notwithstanding the assertion of the Right Hon. Arthur Meighen during the election campaign of 1925. He went all over Canada telling the people that $500 was lost to the home market in respect of farm products for each person that crossed the border. That being the case, 9½ millions of people would consume 9½ millions times $500 or 4¾ billions of dollars of farm products each year. But Canada produced less than

1¾ billions of dollars of farm products last year; therefore, we must import over twice as much as we produce to feed our population—some exaggeration! But the truth is that we need only a small fraction of many of our farm products for home consumption.

This led the Laurier government in 1911 to make a reciprocity pact with the United States which would have been an immense benefit to the farmers of Canada. If the then government had put it into effect so as to show the benefit of it, instead of taking a referendum of the people, it would have meant millions of dollars each year to the farmers; and in the end it would have been a great boom to the manufacturer, as every additional dollar got by the farmer from the Americans meant an additional dollar of purchasing power from the business concerns of the Dominion. However, the government said that the people should be consulted. What happened? The manufacturers, organized to defeat the reciprocity agreement. It is said that they, with the rest of the Tory party, raised an immense campaign fund. It is said this was the only time in history that there was any money left after a political campaign in Canada, although it is said large sums were paid to the press, vast sums paid the constituencies, and every means used to create a public opinion hostile to that policy. However, all this would have been of no avail, but for a so-called political strategist, said to be Hon. Bob Rogers, who coined the slogan, "No truck or trade with the Yankees." This, coupled with the waving of the old flag, defeated reciprocity and won the election for the Tories, to the everlasting disgrace of the Canadian people.

In passing, I may say that the manufacturers although not injured by this pact but rather helped, were desirous of perpetuating the system of protection so that the money, equivalent to the duty, would continue to flow into their bank accounts as automatically as the rivers flow into the ocean. Since then, seventeen years have passed, and Canada has not been able to secure reciprocity in natural products with the United States, although the Borden government, shortly after it took office, sent a delegation to Washington to try to revive the reciprocity agreement in whole or in part. But they failed in their mission as the Americans could not trust them. This pact they had strenuously opposed a few months before. Their opposition was to win the election, and not for the good of the country.

Mr. BENNETT: The hon. member is incorrect. The Borden government sent no delegation to Washington to revive any reciprocity treaty.

Mr. HALL: That is what the leader of the opposition says, but I say differently.

Mr. BENNETT: I simply want to call the hon. member's attention to the fact that the statement is incorrect.

Mr. HALL: You have had your say. This is one more example of the inconsistency and insincerity of the Tory party. Before passing to another division of my speech, I may say that the Conservative party were anxious to have reciprocal trade relations in the natural products with the United States up to the election campaign of 1911. Indeed, Sir John A. Macdonald made several attempts to gain access to the American market for our natural products, but failed. It may have been that the Americans mistrusted the Canadians just as some of the hon. members opposite mistrust the Americans now.

Associated with agriculture, Mr. Speaker, is the question of the tariff, the question of transportation, and the question of our trade relations with other countries. It has been asserted that the question of the tariff is dividing Canada and would divide the Liberal party. It certainly divides the Canadian people into two classes, namely, high and low tariff people, or protective and revenue producing tariff people. The first class is represented by the Tory party and the second class by the Liberals and the Progressives. This is a very general statement. Let us particularize. The interests of the farmer and the interests of the manufacturer are said to be a great point of contention. Let us see how this works out. Canada does not figure largely as a manufacturing country; it is certainly not one of the great manufacturing countries of the world. Why is it not? Do Canadians lack ability in management, in intelligence, in application, in thrift and in industry? Certainly not. Is it not a fact that Canada produces, per capita, the greatest export surplus of food stuffs, which is the very foundation of labour, of any country in the world? Is it not a fact that Canada has an abundance of raw material from the farm, the forest, and the mines? Is it not a fact that Canada has the most magnificent water powers in the world, the ultimate hydro development from which is calculated to be forty million horse power? Is it not a fact that the centres of our population are situated in close proximity to the ocean traffic which carries their products to all parts of the world? Is it not a fact that Canada has transportation facilities, by land and by water, excelled by few countries in the world? Is it not a fact that Canada has a good labour market? Is it not a fact that Canada

has excellent banking facilities, affording adequate capital to manufacturers? To summarize it all, Canada possesses the six essentials for manufacturing, namely, an abundance of food stuffs, of raw material, of cheap power, of cheap transportation facilities, of good labour well located, and of available capital.

Then why is Canada not a great manufacturing country? Our people leave our own country and go across the line; the Canadian artizan and the Canadian manager are in demand in every country of the world. Then why is it that in his own country he cannot compete with the world? Who amongst us will confess that Canadians are inferior to other nationalities? Did not the Canadian soldiers in the late Great war prove themselves inferior to none, equal to any and superior to many? If all these things are so why cannot we compete with the world in our basic manufacturing industries as we compete with the world in our agricultural industry? There must be something wrong.

For the last half century the manufacturers in Canada have worshipped the fetish of protection; they have manufactured for the tariff and not for the consumers of the world. This idea of protection for the manufacturers in Canada has been carried to such an extent by the Conservative government and indeed by all governments that it has defeated itself, but the original idea of protection as conceived by Sir John A. Macdonald the father of protection in Canada, was protection only for the infant industries, not to be continued to those attaining the status of adults. In many cases this is a commendable policy, quite different from the Tory policy of to-day.

In spite of Canada possessing everything required to place her in the front rank of manufacturing nations, the principle of protection keeps her in the rear, which is the reason for the present government to make a gradual downward reduction of the tariff all along the line, as well as to facilitate transportation and to continue the further extension of our trade relations with other countries, especially with the other dominions within the empire. These things would establish industry on a sound basis and would enable the manufacturers of Canada to compete not only in a market of nine and a half million people within our own borders, but in the great markets of the world as well, thus adding real wealth to our country by greatly increasing the volume of international trade, which is the true barometer of the wealth and prosperity of a nation. This is our purpose in pleading for a low tariff; not because we have any hostility to any industry in Canada but because it has been proven that the principle of protection is restrictive and destructive, and must be changed if Canada is to achieve any great pre-eminence in her manufacturing industries. Thus we see that the interests of the farmer are in common with the interests of the manufacturer; a separation of interests affects both adversely. If a low tariff is best for the farmer surely the same tariff is best for the manufacturer, because the prosperity of the manufacturer depends almost entirely upon the prosperity of the farmer. A bountiful harvest with good prices means busy factories and great prosperity.

For a few moments let us look at the condition of our farmers. Many of them are far removed from the ocean ports, living and carrying on their work in the interior of the continent. Yet they must meet the competition of the world with their products. The railway freights are against them also, but they have accommodated themselves to these conditions and are able to carry on. They have no protection, and what is more they want none. The Tory party promised them protection; what would it be worth to them, since they now produce a large export surplus of farm products? Indeed, of what value is a protective tariff to manufacturing industries based on the natural resources of this country, when they now manufacture an immense surplus over home consumption? It is of no benefit. I submit, Mr. Speaker, that if the agriculturist can thrive and prosper without protection under such adverse conditions the manufacturer should be able to do likewise under a low tariff with the favourable conditions mentioned a few moments ago. Doubtless the basic manufacturers in Canada possess sufficient industry, energy, intelligence and ability for good management to put their industries on an export basis instead of a protective basis. The reduction in the customs tariff on automobiles in 1926 by the present government is a striking example of the truth of this proposition. Why would this not apply to other industries? It certainly would. The only thing needed is for this government to lower, adjust, equalize and stabilize the tariff on many of the manufactured articles instead of only a few, and in that way convince the people of this country that a low tariff is a sound and sane policy. In all these cases, the consumers share in the benefits with the manufacturers, just as they did in the case of the automobiles.

After this is done and the manufacturers have learned their lesson, they will no longer

call their employees together to tell them that they will have to close their factory doors on account of the lowering of the duty on similar manufactured products, while on the other hand the employees will no longer harass the manufacturer for higher wages since the cost of every article they require will be lowered. In other words the cost of living, and I presume the cost of dying, will be much less. As a result of all this there will follow a period of prosperity, contentment and happiness unsurpassed by any like period in the history of our country, as well as a complete and satisfactory solution of both our emigration and immigration problems. Doubtless this period will be known in our history as the second golden era of progress and prosperity since confederation, like unto that other golden era of the Laurier regime from 1896 to 1911.

Hon. E. B. RYCKMAN (East Toronto): Mr. Speaker, I am afraid I can hardly agree with the hon. member for South Bruce (Mr. Hall) who has just spoken, when he says that the protective tariff is restrictive and destructive and must be destroyed. If I had a mind that wanted to think that way I would not allow it to do so, because the entire commercial world thinks otherwise. I am sorry I cannot add any words of praise or commendation of the budget. I take what benefits the budget gives me, and it does give benefits; the cuts in sales tax, corporation tax and income tax all help me. They are gifts, and when a man is hungry he is anxious for any food, but I would take them all and cast them aside if the Minister of Finance had shown that courage which has been mentioned in the house this afternoon, and given this country the government it needs and the fiscal policy it requires.

I object to the budget because I do not think it is frank; I believe it to be misleading. I think it can be shown that the people of Canada are expected to take from this budget a view which the facts do not warrant. I hope I may not repeat too much of what has already been said, but there are certain matters to which I must refer. My chief complaint against the budget is that it starts to tell us there is a reduction in debt when there is no real reduction at all. It declares such a reduction when there is no real reduction in debt, that there is a surplus when there is no real intrinsic surplus as the minister has attempted to show. Further, the minister in his speech referred to the certificate given by the accountants. No one knows better than the minister how such certificates run. The formula is well understood. I pick up the budget speech and I read the statement of the Minister of Finance at page 505 of Hansard, to the following effect:

> That there should be no uncertainty as to the correctness of the public accounts of this Dominion, I recommended to the treasury board that an independent audit be made of the balance sheet of the public accounts as of March 31, 1924, 1925, 1926 and 1927. The well known firm of chartered accountants, P. S. Ross & Sons, of Montreal, Toronto and Winnipeg, were engaged and instructed to make a complete audit of the departmental accounts in question, and on the fifth of December last their certificate which is printed on page XIV of the public accounts for the year 1926-27 was received. Their report confirms the accuracy of the public accounts as submitted to parliament, and certified that the reduction in the net debt during the period in question was $105,942,498.65.

The Finance minister expected, and still expects, that the people of Canada who have seen this budget speech—and all Canada has seen it—will take this statement and understand that the certificate that has been given was given in the usual course, according to the usual formula, and specified the correctness of the accounts. That is not true. The certificate is what? It is dated December 5, 1927, is addressed to the Minister of Finance and says:

> By authority of the treasury board, given 28th June, 1927, we have examined the balance sheets of the Dominion of Canada for the fiscal years ended 31st March, 1924, 1925, 1926 and 1927.

Then do they give a straight certificate? No. What they desire to say, and what subsequently they give a form of certification to, is this:

> We certify that the published balance sheets examined by us have been compiled in a manner similar to the corresponding statements of previous years, and do not include in the net debt of the Dominion, issues of the Canadian National Railway Company and the companies included in its system, which carry the guarantee of the Dominion. The details of such guarantees have been shown separately each year in the public accounts.

They expressly exclude from the net debt of the Dominion all moneys that have been paid in connection with the Canadian National Railways for which the country is liable.

Mr. ROBB: Since my hon. friend has read part he might as well read the whole certificate.

Mr. RYCKMAN: There is no object to be gained by taking up time in reading it.

Mr. ROBB: Ah!

Mr. RYCKMAN: It seems to me that is rather cheap. They do certify afterwards in effect—I am not going to take up time by

reading the whole of it—reductions in the net debt with the exceptions which they have specified.

Mr. ROBB: Will my hon. friend permit me? He wants to be fair.

Mr. RYCKMAN: Certainly.

Mr. ROBB: The auditors certify surpluses for each year. More than that these gentlemen—who are the auditors for the province of Nova Scotia, the province of New Brunswick, the Royal Bank of Canada, and the Sun Life Assurance Company of Canada—tell me that our books are kept in exactly the same form as the books of the provinces including the province of Ontario. The last named province owns a railway system and a hydro-electric system and has the same form of book-keeping as the federal authorities.

Mr. RYCKMAN: That, certainly, has nothing to do with the actual debt of this country, and which it and no one else will be called upon to pay.

Mr. ROBB: The province of Ontario is following the same system of book-keeping.

Mr. RYCKMAN: The system in force here is the system that wrecked the Home Bank; it was just the same system of financing exactly. We found the general manager of the Home Bank doing what? Keeping two sets of accounts, not taking into account his liabilities, but taking all the assets that he could find, and then, with the liabilities not all accounted for, claiming that the bank was solvent. He even fooled the Minister of Finance because the bank was not shown up when it should have been. I say, Mr. Speaker, that in principle and in dealing there is no distinction between the handling of the Home Bank affairs by Mason and the handling of these accounts by the Finance minister if he claims there has been a net reduction in the national debt of Canada of $105,000,000. Why even the Minister of Finance was not astute enough to put his two inconsistent positions far enough apart in his budget speech. Take what we find at page 508 of Hansard:

Surplus, $54,815,000.

Then at page 509:

Guaranteed Securities
Canadian National Railways

Financial requirements of the Canadian National Railways were met by an issue of $65,000,000 4½ per cent 30-year bonds, dated July 1, 1927, guaranteed by the Dominion of Canada.

This is a little more than $10,000,000 larger than the alleged surplus. What was this sum of $65,000,000 for? For refunding and paying $20,000,000 that the Canadian National Railways could not pay. The next item is $15,000,000 for the funding of a temporary loan for which the Canadian National were liable and could not pay. Then there is $16,600,000 to provide for expenditures authorized in the railway appropriation for 1927-28 for general additions and betterments and miscellaneous maturing obligations as provided for by vote 408, Appropriation Act, 1926-27—"Loans to Canadian National Railway Company." This is again a sum which the Canadian National Railways could not pay, and so on. Therefore we see that more than this alleged surplus is used on the very next page of his speech as it appears in Hansard. Everyone knows that if you guarantee a primary debtor who is no good, who, you know, is no good, who can never pay, and who, you know, can never be expected to pay, you have to pay the debt yourself. That is the situation of this country and that situation should be frankly laid before the people. It is wholly idle and misleading and it should be condemned when one sets up that, during the period named by the Minister of Finance, we had a net reduction of the sum alleged.

In that clause of the certificate of P. S. Ross & Sons you can insert the words "Home Bank" instead of "Dominion", and you will find a certificate which will absolutely justify everything that that Home Bank did. Why, that certificate just points to a sinkhole in which you could deposit every bad debt in a financial institution. Instead of the certificate reading: We have examined the accounts and we certify that they exhibit a true and correct view of the country's affairs, it states: Here is a sinkhole, let rubbish of all kinds be deposited here, and you can do this under the certificate of the accountants. It occurs to me to ask: Was there any correspondence with the accountants about the certificate and its form? Was this second paragraph of the certificate discussed by them with the Minister of Finance? Did the Minister of Finance take this qualifying clause, which really destroys the effect of the certificate, and accept the certificate as satisfactory to the government and the people of Canada?

Mr. ROBB: Does my hon. friend desire an immediate answer?

Mr. RYCKMAN: Yes, otherwise I would not have asked the question.

Mr. ROBB: The question is very fair. The firm of P. S. Ross & Sons are too well known and of too high a type to be influenced by any person in giving their certificate.

There was no correspondence; there was no consultation as to the form of the certificate, and the government selected the firm of P. S. Ross & Sons to make this audit, because the government desired an audit that, by our opponents at least, would be regarded as satisfactory, because it is well known that the firm of P. S. Ross & Sons are amongst the most outstanding supporters of the Conservative party in Canada. One of them was a candidate for the Conservative party.

Mr. RYCKMAN: It is a very fine firm of accountants. Please do not misunderstand me. I am not complaining; I am saying that, as accountants understanding their duty, they could not certify to what they were asked or expected to certify without these qualifications and they insisted upon putting them in.

Mr. ROBB: Will my hon. friend allow me to clear that up a little further? The firm of P. S. Ross & Sons was selected to make this investigation after I had read a speech delivered by the hon. gentleman who at that time was leading the Conservative party, challenging the budget and the balance. I thought it was fair not only to the government but to all the people of Canada that we should have a true statement of the affairs of this country. I therefore cut out the report of that speech and sent it to the gentleman who did the auditing, stating: I want you to find out if that statement is correct or not. That is the answer from the books.

Mr. MOTHERWELL: An auditor from the dead would not please my hon. friends.

Mr. RYCKMAN: I am afraid the Minister of Agriculture will be examining corpses before long. I am not objecting in any respect to the certificate or its form, because I realize that the auditors could do nothing else; but I am saying that the form of it, which is in accordance with the facts, should not have been satisfactory to the Minister of Finance; that it is not satisfactory to the people of Canada, and that the minister cannot honestly state that there is a net reduction in debt of the amount specified of $105,000,000, because there is not.

The Minister of Finance in his budget also seemed to me to essay a political flight, but it was promptly met when he was carried to ground. There is no question—and no one regrets it more than I do—that there have been losses in our population and those losses have been chiefly to the United States. Everyone knows that is a subject that rankles in the hearts and minds of Canadians. We would like to cure or to palliate the situation, and the Minister of Finance in his political budget endeavoured to create the impression that Canadians were returning from the United States. He was immediately challenged for doing so. The Minister of Finance knows that, during the period with which his budget dealt, many more Canadians had gone to the United States than had returned from there. The figures have been given in this house and it is plain that the tide of immigration is not set our way. It is unfair to represent to the people of this country in an important speech such as the budget of the Minister of Finance that there is a turn in the tide; that the numbers are now favourable to us, who want to see them in our country, and that there is not an exodus to the United States but an exodus from the United States to Canada. That is not the fact and the people of the country must know it.

The Minister of Finance also allied himself with the prosperity of Canada. I do not object to that very much. He was not responsible for it, it is true, as has been stated this afternoon. Very cogently and carefully the hon. member for Parry Sound (Mr. Arthurs) this afternoon gave the causes of prosperity in this country. Everyone admits, as leaders of finance and industry have said, that there is prosperity. It is like a cross-section of a fruit loaf; there are many currants in it, but there are also spaces in which the Minister of Finance, if he is hunting for currants, can never find them. What is the situation? There never was more money in the savings banks than there is at this moment, the amount being, I believe, something like $1,500,000,000. Bank deposits and bank debits, of course, are large and perhaps larger than ever before. The Minister of Finance says: "There is money to spend" and in his own budget he says it is being spent in the United States. There is money to spend and it is being spent in the United States. Is there money for speculation? Yes plenty of it driven, I believe, into speculation in some measure at least by the financial policy of this country. We find now that even the little children prattle the jargon of the stock exchange. Women are interested; young boys are interested; defalcations are taking place in order that men and women may speculate on the stock exchange but there is nothing—and I challenge the minister—for new industries. There may be something for the pulp and paper business, but there is nothing for new business or industry in Canada. It will be found that some of those who are engaged in business are consolidating; that they are putting

their affairs into shape and taking advantage of this money that is available at present for anyone who can set up a case that will entitle him to receive it. But for those starting out to manufacture some of our raw material or to conduct an industrial business which would be a credit to this country and to the men engaged in it there is no money available because men are unwilling to go into business on account of the financial policy which has been put into force by the present administration. Manufacturing is at a standstill in this country. Manufacturers are courageous; they are a benefit to the country there is no doubt about that even our farmer friends will admit it, but there is no man and no body of men who are willing, unless under some extraordinary special circumstances, to engage in industry in this country because they do not know when the attack will come from the government. At one time it was the agricultural implement industry. Then the government made it up to those engaged in that business. On that we cannot take time to dwell. The automobile business was treated in the same way, but always there was a preference to those who are engaged in it. We know how the shuffle took place. We know how the Minister of Finance said, and he will pardon me for recalling this, that he was going to stand by his guns, that there was going to be no change; but there was a change. That business is suffering even with the consideration the Minister of Finance gave to it. And now it is the woollen industry. I am acquainted pretty well, as I have no doubt the Minister of Finance is, with the personnel engaged in the woollen industry in this country, and I know of no finer body of men anywhere, no men who love their country and want to carry on business in it and enjoy all that Canada affords more than they do. They have been struck by this tariff.

We had the speech from the throne. There was not much in it. I think members on the opposite side of the house will agree with that; if they do not, I think an inquest should be held because actually there was nothing in it. In this budget there is nothing that this country can take as a real benefit exclusive of the cuts in taxation, and I would be very glad to roll up and stow away all those cuts if the Minister of Finance would do what is manifestly the obvious thing to do, namely, cut the sales tax. When he came into office he found the garden sown with these tares. There was a sales tax which was put on in war time, and which has been a handicap to business. The large majority of people do not know how that tax cuts into them; I do not believe the members of this house do. I am not arrogating to myself any special knowledge, but I have had occasion to consider this particular matter of the sales tax and I say to you, Mr. Speaker, and through you to the people of Canada, that there has been nothing that has cut so hard into the workingman, into the consumer, as the sales tax, multiplied as it is, in some cases, several times, and lifted from the pockets of the consumer without his knowledge. The only knowledge he has of it is that the money is gone and that it should be in his pocket. The Minister of Finance knows that this is true, and in this budget he has put the sales tax back to where it was when his party came into power. I ask him now—I do not wish to appear over-earnest, and frankly I am not trying to play politics—I ask the Minister of Finance to strike that sales tax off the books altogether. I believe the country can afford it. As the minister says, the revenues are buoyant, and if he will wipe away that tax altogether in the interest of business, the rebound in business that will follow will mean greater revenue, more prosperity, and a better feeling throughout the country. It would in all respects be to the benefit of the country as a whole.

I heard the Minister of Justice (Mr. Lapointe) say something yesterday about the shadow government. I was but a short time connected with it, but sufficiently long to know that I for one walked into the shadow of a department that was a great spend-thrift department. Mr. Speaker, I dislike to use the word economy; I do not know that I should be called upon to preach it. The abuse and the misuse of the word is something that troubles me, but I submit that there is nothing like economy practised in the government of this country. What is economy? It is the spending of money wisely, and the refusal to spend it foolishly. I want to give two instances where the government could practise economy, and I speak of one of them because of my connection with the city of Toronto. I have been told that this government was losing thousands of dollars a day in Toronto just by reason of the port of Toronto being so glutted that goods could not be examined and duties paid and the work carried on properly. I knew that the government offices were housed in buildings for which the government is paying large sums in rent. I asked for some particulars, and I found that everything was in readiness to build a customs house in Toronto, but it had not been done; why, I will leave to your imagination. But it is as plain as the nose on your face that the government would

be money in pocket if it only provided reasonable accommodation for carrying on its own business in the port of Toronto. Shortly before the house prorogued last year I asked the Prime Minister if he had read the testimony of the Liberal officer, and he is a good one, who has charge of the customs house in Toronto, and who had said that if he were called upon to carry out the regulations which the government itself imposed, the port of Toronto would close in two weeks. The Prime Minister did not know anything about it. A commission has sat. I have not read their report, but from what they have said apparently this country is not going to lose any more money because it has not a proper place of business in the city of Toronto, and it will collect the revenues and the benefit will be felt all over the country. That is one thing that has not been done. I am not going to suggest the reason why, but it has not been done.

There is another matter. I dislike to touch upon it, but I feel that I have a duty to discharge and I propose to do it. There is a restaurant attached to the House of Commons. I am a member of the House of Commons. I receive an indemnity and perquisites, and one of my privileges is going to that restaurant. That restaurant loses $30,000 a year. There are 245 members of the House of Commons, and if you take in the senators, that would bring it to 300, not more. That means that in order to carry on that restaurant we, the members of this house, are taking, and, in some cases, literally having forced down our throats, an expenditure which averages $100 per member. The matter came up. I had never discussed it with anyone. I do not believe I had mentioned restaurant, but someone, I think as a joke, put me on that committee, although I had never heard of any question that related in any way to the restaurant. But I learned that the restaurant was losing $30,000 a year. I think that is something which should be corrected. If that amount can be saved, the members of this house should insist upon it. "Well," I said, "let us get someone, the Canadian National Railways or the Canadian Pacific Railway, to take the restaurant over for the session at actual cost plus ten thousand dollars and let us cut this loss by at least twenty thousand dollars, for either company should be glad to earn ten thousand dollars for the privilege of conducting the restaurant." That is a pretty good return, for it is actually money in hand. But there is a gentleman connected with the restaurant, and I was told that he had to be cared for. I have not a word to say against him. My attitude was: Take care of him, let him be satisfied, but let us cut down this loss. This man, we were told, is very useful in looking after private luncheons and dinners for members—and there seems to be difficulty in adopting my suggestion. But, Mr. Speaker, the people are not content to pay on an average every session about $100 for the food of each hon. member. I do not want the Minister of Finance to think I am trying to make a mountain out of a molehill, but this recurring loss is on my conscience, and I tell him that we have no right to continue losing thirty thousand dollars in the restaurant department. If we cannot carry on the restaurant successfully and make it pay for itself, then let us do without it. I could mention other savings that might be effected, and I will do so when the opportunity presents itself. While on this, let me say that I really have to laugh when I contemplate myself attempting to play this role to-day, but I must discharge what to me is a duty that I owe to the country.

In his budget speech the Minister of Finance quoted the captains of industry and the heads of financial houses in their references to the prosperous condition of Canada. What they have said is quite true. But the minister knows that in the reports to which he drew our attention there are also references to the lack of a proper immigration policy and the deplorable exodus of our people to the United States. Does he remember what was said at the annual meeting of the Bank of Montreal and of the Bank of Toronto with regard to this exodus? What was then said is absolutely true, and the Minister of Finance, as one of the most important members of the government, should make it his special business to solve this problem. The problem has not been met by any suggestion that has yet been made. If a question is put on the order paper asking the intention of the government in regard to some particular matter it is frowned upon; but I warn the government that the people will insist on their providing at this session some solution, the best that they can think of, for the immigration question. I must criticize the Prime Minister, and I am sorry that he is not in his seat. He says, in effect, that it does not do to speak of these things. I am just as anxious for the advancement of this country as any member in this house, I am just as loyal, but I am not prepared to see one other man, whether a mechanic or an unskilled labourer, enter the Dominion unless he can be directed to a job. Is that a rash statement? Let me tell you what I find in Toronto. On the way to my office in the morning I pass an employ-

ment agency. Through the windows I see inside a milling crowd, seeking to find out if since last night any fresh jobs have been listed. Outside there is another crowd waiting to get in. My office is opposite the offices of a newspaper published about eleven o'clock in the morning, and I am told that it contains more want ads than any other newspaper in Canada. Outside those offices every day you will see hundreds of men waiting for the latest issue, which they grab from the newsboys and eagerly scan in search of a job. When you enter your office you find men waiting there anxious for a job. Their only anxiety is to work; they do not want charity. Some of them are men who have fought for their country. When you are daily confronted with this regrettable state of affairs, what are you to do? Are you to tell them: This is a fine country to bring more people to. The condition I have described probably does not obtain in the country, but any hon. member from Toronto will tell you that this is the state of affairs there.

An hon. MEMBER: Hear, hear.

Mr. RYCKMAN: I do not know what hon. members from Montreal find in their city. Undoubtedly in our urban centres there is a demand that this problem shall be settled. I have in my hand what the hon. member for Parry Sound (Mr. Arthurs) referred to in the issue of the Ottawa Citizen of yesterday, headed, "Hull Liberals give immigration views." I may tell the Minister of Finance that before I join the Liberal party I am going to associate myself with the Hull Liberals to find out if it is a party that I should like to belong to. Those men in Hull say that proper consideration is not being given to the question of immigration, and they go so far as to declare that unless you can put an immigrant on the farm they do not want him. I have no grudge against the farmers. Certainly they should not be asked to provide jobs for immigrants when it is against their interest to do so. But if newcomers can be taken on the farm I am in favour of it. That phase of the question will have to be discussed by the committee on agriculture and colonization which is to investigate the Immigration department.

But, Mr. Speaker, we do insist upon having this problem handled promptly and in a business like way. I regret that the present Minister of Immigration (Mr. Forke) was given the portfolio. I think he would have been better satisfied with some other department. I am not cavilling about the reason why he was taken into the cabinet; it makes no difference; he is rightfully there, and if his leader wants him he should be there. But let us handle this most important part of our national affairs reasonably and quickly as business men would do, and see if something cannot be done to arrive at a satisfactory solution. In conclusion, I want to say this—

Mr. SPEAKER: Order. The hon. member's time is up.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the amendment before the house expresses regret that the budget provides no measures to increase employment, to induce Canadians to return, to prevent the continued emigration from Canada, and no provisions to stimulate the domestic market or to develop our natural resources. Now, I submit it is not at all clear that the Conservative policy would accomplish these ends.

An hon. MEMBER: Give them a trial.

Mr. WOODSWORTH: It is suggested, Give them a trial. Well, all these evils complained of have, I think, come about during the period when we have had a protective tariff. We have had that to a greater or lesser extent for very many years now, and these things have been happening under it, so it must be conceded that we have already given that policy a trial.

The last speaker, the hon. member for East Toronto (Mr. Ryckman) said, if I caught him aright, that the business world was against free trade. I would suggest to him that the whole business world is not resident in Toronto or in the province of Ontario. It is only a short time since some strong resolutions were passed by the league of nations and by the international chamber of commerce, and we had also a very important document from some of the leading bankers and other financial men in Europe and America, all deploring the extent to which tariff restrictions had been set up, and urging that we could have peace in the world only as these restrictions were broken down. In view of such statements it is absurd for the hon. gentleman to suggest that the whole business world is against free trade.

I have a great deal more sympathy with that portion of the amendment which calls for the reduction of the sales tax, but we in this corner should like to distinguish between the sales tax on luxuries and the sales tax on the necessaries of life. Until the income tax is much higher than it is at present, we should be inclined to retain the sales tax on luxuries. The amendment to the amendment some of us will feel obliged to support. It calls for a reduction in the sales tax on

the necessaries of life. It urges that adequate relief has not been given in the proposed tariff changes and regrets a departure from the principle of direct taxation which is evident in the lowering of the income tax.

I desire to repeat the statement made in this house yesterday by my colleague from East Calgary (Mr. Adshead). In England 45 per cent of the total revenue—an enormous sum—comes from inheritance and income taxes —including super taxes. And I might say that as there are other sources of revenue, the proportion of the revenue which is raised through this form of taxation is considerably higher than that. In the United States 64 per cent of the revenues are derived from the income tax, while in Canada less than 14 per cent comes from this source. I do not think this statement can be too strongly emphasized.

Mr. GEARY: Is any part of the income tax to which my hon. friend is referring levied by the state? Is he giving state plus federal taxes?

Mr. WOODSWORTH: I am referring to federal income tax.

Mr. GEARY: In the United States the 64 per cent is entirely federal. Are you sure?

Mr. WOODSWORTH: No; I am afraid I cannot be positive on that point. My memorandum does not show that.

It is stated by some that at the Dominion-provincial conference the provinces claimed that they should have the field of income taxation to themselves. I would point out that the income tax is not in operation in all the provinces of Canada at the present time. I would also suggest that there should be no duplication in the collection of the tax and it would be a comparatively easy matter for the government here to turn over a certain percentage to the provinces. I strongly urge however, that we do not surrender the underlying principle which, as has been observed again and again, is a sound principle and which was adopted to meet an extraordinary demand—the discharge, namely, of the debts incurred by the country through the war. So long as these debts remain unpaid this tax ought to be kept in operation.

It has been further pointed out that since there is a corporation tax the income tax means double taxation. In answer to that I would remind the house that the small man is taxed over and over again. Excise, sales and stamp taxes amount to 21.33 per cent; customs import duties, 37.23 per cent; excise duties 13.82 per cent, or a total of 72.38 per cent of the total revenue; or a still higher percentage of the revenue raised by taxation, as this latter amounts to only 86.55 of the revenue. That means that the man who has children must pay taxes on a great many of the necessaries of life; if he has two children he pays probably twice over, and his taxation is correspondingly heavier all along the line in proportion to the size of his family. In other words, we have here not merely double but multiple taxation, and that upon the men least able to bear it.

I ask what is the purpose of all these heavy taxes? How do we spend our revenues? That is a rather interesting question. According to the minister's own statement, no less an amount than 45.11 per cent is devoted to expenditures attributable to the great war; and for national defence we have another 4.37, while for the mounted police, closely allied to the military, the expenditure is .65. There you have over 50 per cent devoted either to making provision for war or to the payment of the debt incurred by the last war. Careful calculations would seem to show that if you add to this the additional expense of collecting the larger revenues involved and also the additional cost of the flotation of loans, you find that somewhere around two-thirds of the entire revenue of the country goes to expenditures directly or indirectly connected with the war. This is an enormous portion of the revenues of the country to be paid out in this direction.

Now I turn to what I may perhaps term social expenditures. I find that health amounts to .21 per cent; scientific institutions—and I am very glad that it is proposed to devote a little more to this field in the future—.28 per cent; labour .38 per cent; and, last year to the Home bank depositors' relief, .06 per cent. Adding these together you have only .93 per cent. So that if we gave as much again this year to the Home bank depositors we should still have only one per cent of our revenues expended on this whole range of social activities. These contrasts are well worth public notice.

It has been said that the tariff board is more or less a smoke screen for the government. I can hardly believe this, because, so far as I have been able to study the tariff, it would seem that the information submitted to the tariff board has been very largely disregarded. None of us of course, are in a position to say what the tariff board recommended, if they made any recommendations; but certainly the facts that came before the board do not seem to have received great consideration in the changes now proposed. The other day I sat down for several hours trying to wade through these tariff schedules.

I found three classes, with all kinds of limitations and exceptions. Heinz's 57 varieties are not in it with these tariff schedules. There has been a reclassification; the old classes have been split and doubled up and rearranged until now we have a regular Chinese puzzle. I am glad that just to-day we have had placed in our hands some tables of comparative rates which may help us a little in coming to some conclusion with regard to this budget. In passing, I would suggest that the enforcement of these very highly technical classifications will require a small army of technical experts. As I read these tariff schedules I find them full of jokers, although this is not altogether new; there are grades specified, certain qualities, special makes, dates of applications and drawbacks. I admit that there are some concessions in the interests of the consumers at large, but on the other hand I note that decreases are often offset by increases. In some instances there are decreases on articles of minor importance; for example, I notice that braided candle wick now comes in free, while on the other hand there are large concessions to the electrical interests. I suppose that since we no longer live in the age of candles we can afford to be generous with those who still use them, but when it comes to modern systems of lighting and electrical appliances, that is another matter. Further, there are decreases where there is practically no importation; there are decreases in manufacturers' supplies, perhaps especially as these relate to mining and refining. I was rather interested to note that press blankets are now on the free list; I suppose that helps out the newspaper syndicates, but I cannot see why press blankets should be free while horse blankets are not free. I notice that the rate on wrapping for paper has been reduced, but I do not see why this should not be manufactured in Canada by the paper makers themselves. In some instances there are discriminations against the small manufacturers. In my own city of Winnipeg we have some cap and hat manufacturers; I do not know just how this is going to affect them, but it would seem to me that they will be hard hit.

As far as I can judge, without being an expert in the matter, there seems to be no rhyme or reason to the construction of this tariff. There are special concessions in evidence on every page. I am reminded of a time when I was a child, when my mother's mending basket was upset; in it were spools of thread, balls of yarn, tape, and a great variety of other articles. Some little kittens began to play with the contents of that basket, and perhaps you can imagine the mess there was left when they finishel, and the snarls and tangles which resulted from their fun. This tariff is very similar; there have been all sorts of pulls by various people who have had a hand in it, but I really do not know who will untangle the tariff; I hardly think parliament is likely to do it.

Mr. NEILL: Who are the kittens?

Mr. WOODSWORTH: I do not like to accuse the Minister of Finance (Mr. Robb) of being kittenish in his actions, but he has had a part in it, and I fancy a great many people who frequent his office have had an even greater part. In view of this very difficult question, I am inclined to take my opinion from those closer in touch with the situation, so I go to the Montreal Gazette, which says:

> The Minister of Finance maintains his reputation as a safe and sound administrator.

I presume there are good grounds for saying that. Further, the Gazette editorial states:

> With regard to the revision of the textile group, it is largely departmental, and further, the general effect of this will be, it is thought, favourable to the industry whose case for relief was fully made out two years ago.

According to the Gazette apparently the industry is to profit and is to obtain relief, instead of that relief being given to the general public. Then I turn to another financial paper, the Financial Post, which has the following to say:

> The tariff changes announced in the budget are more important as a low tariff gesture than for the effect they will have on business.

I would commend that statement to some of the hon. gentlemen directly opposite. In this connection I was reminded of an article which I read a few months ago in the April number of the Atlantic Monthly, called "The Money Power in Politics" and written by Mr. William B. Munro. Mr. Munro is a firm believer in the money power, and hence his admissions are rather interesting. He speaks of Mr. Elihu Root's phrase, "our invisible government" and says that:

> All governments, wheresoever they operate, are subject to the pressure of invisible influences. This pressure is unrelenting; it comes from many quarters; it is exerted upon voters, legislatures, executives, and courts alike; and its sources are often so well concealed as to be unrecognizable even by those against whom it is directed."

Again he says:

> The motive power in law making is supplied from somewhere outside the legislative halls.

And again:

> These interest groups, as we call them, work for the most part within the ranks of the

party organization. Indeed, the chief function of the party organization is to furnish a cover or screen for the political activities of groups which desire to keep their true objectives invisible.

He is in favour of such outside influence being exerted; he thinks the money power is beneficial on the whole; some of us can hardly agree with him.

The minister makes a great deal of what he calls our "favourable" trade balance. I would suggest that he is still harbouring the antiquated economic theory of the mercantilists, that the excess of exports over imports is an indication of prosperity. His theory forces him to put Canada in 1913 in the same class with the Argentine and British India. He seems to have some misgivings, however, for he says:

> Both the decrease in exports, $28,000,000 and the increase in imports, $56,000,000, can be attributed principally to greater domestic demand under conditions of prosperity such as we have been enjoying.

If this argument is true I submit that if we had still greater prosperity presumably the exports would decrease and the imports increase still further, but with absolute disregard for logic the minister proceeds:

> But it is also apparent that our ability to produce still exceeds our capacity to consume by a broad margin, and that our exporters annually market over a billion dollars worth of goods in other lands.

Just look at this question of the trade balance for a moment in a perfectly practical way. When does a farmer send off his farm more goods than he receives payment for? Surely he does that only either when he is making a loan or when he is paying a loan; those could be the only reasons for his continuing to ship goods out without having goods shipped in. Where is the "favourable" trade balance in such a case? I should like to quote an authority for this position. I tried to refresh my memory with regard to economics, and consulted The Principles of Economics by Seligman, one of the acknowledged authorities. He says:

> The so-called favourable balance of trade is for several reasons a delusion. It is difficult to state with accuracy the exact relation between exports and imports.

And he goes on in detail to explain the reason, concluding:

> The statistics themselves are therefore of dubious value. Even if the balance could be accurately ascertained, however, it would not tell us anything of importance. Some prosperous countries, like England, Germany and France, habitually import far more than they export; some poor countries like Peru, Siam and San Domingo, habitually export more than they import.

He might have added Canada. Further on he explains the situation.

> An excess of imports may represent the incurring of liabilities to other countries which must be met hereafter, or it may, on the contrary, represent a liquidation of past or present indebtedness by other countries. In the same way an excess of exports may mean that one country is making others its debtors. Or, on the contrary, it may be a measure of the amount of tribute which that country is paying to others for past or present favours in the shape of capital invested or services rendered. In itself the so-called balance of trade is irrelevant.

It seems to me that years and years after treatises of this kind have been written, a hundred years after these old theories have been exploded, we might hope that at least the minister would not come from year to year and try to fool the public by talking of the "favourable" trade balance.

In view of what Seligman has said I should like to examine some of the possible explanations with regard to this excess of our exports over imports. In an article in MacLean's Magazine of August 15, 1927, Mr. W. A. Irwin calls attention to the fact that our total wealth is estimated at $22,000,000,000. He gives our debts up to date—federal, railway, provincial and municipal—as $5,700,000,000, and he says that means that one-quarter of our national wealth is mortgaged. I may say that almost 30 per cent of these mortgages are held outside of Canada, so there is not much wonder that we have to ship out the interest on these mortgages. In addition to the public mortgages we have a very large number of foreign investments in this country, and in this connection I would call attention to some very interesting studies recenty made by Kenneth W. Taylor, and published in the Financial Post. With regard to the ownership of Canadian securities, Mr. Taylor gives the following figures:

Ownership of Canadian Securities 1927

	Grand Total	Canada	Total Foreign	United Kingdom	United States	Other Countries
Total (excluding land and mortgages)	$15,793,000,000	$10,885,000,000	$4,908,000,000	$1,927,000,000	$2,798,000,000	$183,000,000
Per cent	100.0	68.9	31.1	12.2	17.7	1.2

With regard to the outside capital invested in Canada Mr. Taylor says:

Of new issues of Canadian bonds and preference stocks, approximately $290,000,000 were sold in the United States, and $13,000,000 in the United Kingdom. About one-third of this amount was for refunding purposes, so that the new money from these new issues of securities would be about $190,000,000 from the United States and $12,000,000 from the United Kingdom. About one-half of these new issues were for power or pulp and paper developments.

I think perhaps this accounts for the fact that our imports were large in recent years. We are importing what is necessary to develop our paper and pulp resources. Mr. Taylor gives the following preliminary estimate of the total outside capital in Canada as of January 1, 1928:

United Kingdom.. ..	$2,110,000,000
United States..	3,031,000,000
Other countries.. .. .	236,000,000

He says:

The interest and dividend payments on this outside capital invested in Canada have been estimated at $254,000,000 during 1926, divided as follows: United Kingdom, $105,000,000; United States, $137,000,000; other countries, $12,000,000.

This huge volume of interest has to be paid some way. We pay it in the only way in which interest is paid to-day, that is in goods. I submit that this is the reason for the so-called "favourable" trade balance. And may I add in that connection that these men who are enjoying these very large returns from Canadian investments pay no income tax whatever to Canada, since they are resident in the United States.

I should like to give one other set of figures as presented by Mr. Taylor. These figures appeared in the Financial Post of February 3, 1928. They have reference to Canadian investments abroad; for there is the other side of the question which I do not want to forget. He gives the following preliminary estimate of Canadian investments abroad as of January 1, 1928:

Total..	$1,362,400,000
In United Kingdom ..	118,000,000
In United States.. ..	722,200,000
In other countries.. ..	522,200,000

And adds:

Interest and dividend receipts on Canadian investments abroad have been estimated at $63,000,000 for 1926, divided as follows: From United Kingdom, $6,000,000; from United States, $34,000,000; and from other countries, $23,000,000.

May I point out that if I were a protectionist I would suggest: Why not develop our Canadian natural resources by keeping our capital at home? I would suggest: Why not a super tax on this capital which is invested abroad? I think I should be quite consistent in urging that we develop our natural resources in Canada where more capital is necessary. If our financiers think they can make greater returns by investing in Mexico, or in South America, or in Cuba, I suppose that is their business; but if we really are in earnest about developing our own natural resources why cannot we take some means of keeping Canadian money at home?

The Minister of Finance states that work and thrift are the only sure roads to success. I suggest that this is one of those very dangerous half-truths that are frequently put upon an innocent public. Let me ask, will work and thrift bring financial success to an individual to-day other than to a very limited degree? How have our Canadian fortunes been made? If you go into any of our cities you will find many men have made their fortunes through land speculation, and many of the wealthiest people have made money by gambling on the grain or stock exchanges. You will find that a still larger number have managed to lay the foundations of their fortunes by securing special concessions and privileges. That has been true all through the history of Canada from the lavish grants of lands in the early days—yes, I might go even further back to the grants of special privileges to the Hudson's Bay company by the imperial parliament. Then we come right down to our railway charters, bank charters and all the rest of it. We have to consider in this connection all the devious methods of high finance, watered stock and things of that sort. I came across a statement somewhere which I think is rather too cynical but which might be taken as suggesting a portion of the truth. It was alleged that to financial success nowadays men can climb only by crooked stairs. Certainly when the minister enunciates as a great truth that, for the individual, work and thrift are the only sure methods of success, he is not at all in accordance with the facts of the case as we see them round about us.

Will work and thrift bring general prosperity? I do not believe that this either is clear under existing circumstances. Already we have so-called "over production;" that is, more goods are being produced than can be bought back with the resources at the disposal of the consumers. Indeed, many economists of high standing have suggested that one trouble with the world to-day is that there has been in one sense too much thrift; that on account of the unequal division of wealth the people who so very largely control the processes of manufacture, distribution and exchange, are able to retain in

their own hands a great part of what is produced; that not being able themselves to consume this large quantity, they are forced to put it back, or as the phrase is, to plough it back, into the business. The result is that they develop still greater plant equipment which, in turn, produces an increasing volume of goods, and to-day we are suffering from over development of plant equipment, of facilities for producing. On the other hand we have not adequate buying power on the part of the masses of the people. If any hon. member is interested in following up that line of argument, I would suggest that he could not do better than read some of the recent treatments of the subject by J. A. Hobson, the distinguished English economist, whose thesis is that an undue proportion of savings is being put into fixed capital. I would suggest that this budget is rather accentuating that very tendency because we are placing the burden upon the poor man. We are making it harder for him to expend money on consumable commodities, and on the other hand we are releasing large sums of money that must of necessity find investment in various fields of enterprise.

The true fiscal policy would be, it seems to me, to place the burdens where they can best be borne, so far as possible to release the income of the smaller men so that they may be able to buy back what they have produced, and instead of forever talking about the development of foreign markets, to lay a great deal more stress on the development of our home markets. That is what we need to-day. I know some of my Conservative friends are very apt to use that phrase: "The development of the home markets." They are thinking of the development of home markets for agricultural produce. I would suggest that we need more home markets for all manufactured goods as well, and if we had a greater purchasing power that could be accomplished.

I am afraid that some of us cannot consistently vote for the budget as it stands. We see in it, as has been stated in the sub-amendment, a departure from the principle of the income tax. That to me is very important. I should like to see the income tax greatly increased. I should like to see the higher incomes still more heavily taxed. It may be said by some that we advocate this arrangement simply to benefit ourselves. Frankly we do, but we claim that in reality we represent and are endeavouring to speak for the large part of the population of Canada. Only a very small number of people pay income tax, yet their great wealth makes it possible for them to pay much more than they are paying at the present time.

I would urge upon the Minister of Finance, in view of the large measure of unemployment which exists among a great section of the people to-day, and in view of the unsatisfactory conditions which are found among many people who are engaged in the ordinary business activities, that he might very well try an experiment along another line from that which has been followed in this country for the past fifty years, and that he should arrange his budget in the interest not of the big industries, which may be quite sincere in identifying their interests with those of the public, but rather in the interest of the great mass of the people who, although they may not be able to understand the intricacies of the tariff schedules, are nevertheless the best judges as to where their own interests really lie.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, in rising to make a few observations on the motion of the hon. Minister of Finance (Mr. Robb) and the amendments thereto, I intend to follow my usual practice and be brief. At the outset I desire to thank hon. members for their kind expressions on my behalf in the course of the debate on the address. The hon. leader of the opposition (Mr. Bennett) in his speech on the address said that my speech as seconder could have been equally well pronounced from his side of the house.

Mr. BENNETT: I am sorry, Mr. Speaker, but that is not quite correct. I said that the hon. gentleman would be equally at home on either side in making a speech in moving the address.

Mr. BEAUBIEN: I have his remarks here, Mr. Speaker, but I am not allowed to quote from a previous debate. I have only this to say to the hon. leader of the opposition. It is very seldom that I offer advice to any of the leaders, but I will take the liberty at this time of saying that had he had a greater knowledge of the French language or awaited the translation of my speech, I do not think that remark would have been made.

Another hon. gentleman seemed to be rather peeved at my being chosen as the seconder of the address, and that was the hon. member for Bow River (Mr. Garland). He was concerned at my seconding the address in reply to the speech from the throne without having had anything to do with the preparation of that speech. I have no apologies to offer to anybody. The hon. member for Bow River

has to my knowledge voted on many occasions for speeches from the throne with the preparation of which he has had nothing at all to do, and I again take this opportunity of thanking the Prime Minister and his colleagues for the honour which they did to my constituents in choosing me to second the address.

We have heard some very good speeches during this debate, Mr. Speaker, and we have also heard some blue ruin speeches. I have heard those blue ruin speeches for the last four or five years in this house, and I have come to the conclusion that if the exodus from this country is as serious as our friends on the opposite side claim, it is caused by these blue ruin speeches, and I am almost convinced that these gentlemen are immigration agents for the United States.

It is not my intention to go into financial questions, the reduction of the national debt, public accounts, or the accounts of the Canadian National Railways. There are men better qualified than I am to do that. I will say, however, that I believe the Canadian National railway accounts should be kept entirely separate from the Canadian government accounts.

Mr. CAMPBELL: Do you suggest handing it over to a company?

Mr. BEAUBIEN: No, I say that the accounts should be kept entirely separate from the country's accounts.

Mr. CAMPBELL: Is not that the case now?

Mr. BEAUBIEN: If our friends want to mix the debt of the Canadian National Railways with the debt of the country, we are always going to be confused. I have only forty minutes, Mr. Speaker, and I have never taken up that much time in the house. I think the hon. gentleman had better reserve his remarks for his own forty minutes and allow me to proceed; otherwise I may need the full time at my disposal.

The tariff resolutions which the Minister of Finance has presented to the house are confusing. I do not believe that all the lawyers in Philadelphia could understand them, and I am not going to discuss them because they are too confusing. I would point out, however, that there seems to be a joker in the proposals submitted by the Minister of Finance, and that joker is in the changing of the numbers of the schedules. Let me cite just one example in order to make my point clear. Item 526 of the present schedule provides:

White and cream coloured lace and embroideries, of cotton or linen: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Then Item 575 reads:

Embroideries, n.o.p.; lace, n.o.p.; braids, n.o.p.: British preferential tariff, 25 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

In the new schedules which the minister has brought down that is changed to item No. 545, and in changing the item they have inserted the words "for use exclusively in the manufacture of," and therefore these articles which I have mentioned instead of carrying a rate of 12½, 17 and 20 per cent, which is the rate shown in the new schedule, will carry a rate of 25, 32½ and 35 per cent. I know the minister has no intention of doing that, but some of the officials of his department, I am sure, have made a mistake. I feel certain from the declarations the minister has made on previous occasions that he will see when we are in committee that the necessary change is made so that the people who are buying these articles not only for manufacturing purposes but for general purposes will get the benefit of the reduction proposed in the new schedules. I just wanted to make that point clear.

The Minister of Finance is also providing that in order to get the benefit of the British preference fifty per cent of the goods must be empire-made instead of twenty-five per cent as formerly. My information is that the cotton manufacturers of Great Britain import a great deal of their raw product from the United States, and I do not think the British manufacturer will be able to get any benefit of the British preference in our market if this increase is left in the schedules.

The reduction in the income tax, I am frank to say, does not please me. Our taxation should be as direct as it is possible to have it. I believe that every man who is able to pay income tax should pay it. He owes it to his country, he owes it to the masses of our people. I have paid income tax, a very small amount it is true, but I have gladly paid it. I would not have any objection if the exemptions were raised a little higher. In short, impose the income tax in such a way that no man will suffer by its operation. That is my idea of the income tax. But why give the man with an unlimited income the benefit of a reduction in income tax when he really is not entitled to it? Many people in this country made fortunes during the war by preaching a spurious patriotism to enrich themselves. Now, why should not those people pay a tax on their incomes? There is no reason in the world why we should not tax them in

order to lighten the burdens on our returned men, many of whom are crippled and incapable of earning their living.

Now, Mr. Speaker, there have been presented to the house the motion of the hon. Minister of Finance (Mr. Robb), the amendment of my hon. friend from St. Lawrence-St. George (Mr. Cahan), and the subamendment of my hon. friend from East Lambton (Mr. Fansher). What are we to do? Well, I will tell you what I am going to do, and I will give my reasons. It is easy to move amendments. It is the safest thing in the world to rock the boat when you are standing on land and in no danger of drowning. My hon. friend from St. Lawrence-St. George knows very well that nobody in the southeast corner and nobody on this side of the house can vote for his amendment. So his party is safe. Then there is my friend from East Lambton and all his associates in the opposite corner, for all of whom I have a great deal of affection, especially for the lady member.

Some hon. MEMBERS: Oh, oh.

Mr. BEAUBIEN: I mean that, Mr. Speaker. Now, they know the Conservatives cannot support the subamendment, and they know we will not vote for it. Well, they are rocking the boat while standing on dry land —the safest thing in the world to do. But we will suppose that the amendment from the official opposition carries. What happens? This government is defeated. Then who comes into power? Our friends opposite, now the official opposition. Would we have a ten per cent reduction of the income tax? No, Mr. Speaker; unless I am very badly mistaken the income tax would be wiped out immediately. Would we have small reductions in the tariff? No, Mr. Speaker, there would be increases, or else their speeches that I have listened to during the last five or six years do not amount to anything. Now suppose the subamendment of my hon. friend from East Lambton carries, what happens? Would the U.F.A. group take office, with my friend from Acadia (Mr. Gardiner) as Prime Minister? I have the greatest regard for him, but would he be able to form a cabinet?

Miss MACPHAIL: There would be enough of them to form a cabinet.

Mr. BEAUBIEN: They have no chance of coming into power. The only thing they can do is help put the Conservative party in the saddle, and I know they do not desire to do that.

Mr. McGIBBON: Which side would you be on then?

Mr. BEAUBIEN: Would the U.F.O. group take office? I should like to see the lady member become prime minister. But how would she be able to form a cabinet, whom could she choose besides the hon. member for East Lambton?

Mr. GARLAND (Bow River): May I submit to the hon. gentleman that if the hon. member for Southeast Grey became prime minister a large number of members would flock to her party rapidly.

Mr. BEAUBIEN: They would all like to be bachelors. I have proven that it is impossible for the U.F.A. group to form a government, and I have also proven that it is equally impossible for the U.F.O. group. What other group can we look to to form a government? We have the Progressives from Saskatchewan, four in number, led by my hon. friend from Rosetown (Mr. Evans). By the tone of his speech last night he seems to be at loggerheads with the world. Now, would he undertake to form a government? If he would be prime minister—well, to be prime minister a man has to do a lot of smiling. I am afraid my hon. friend would either have to change the tone of his speeches or adopt my mentality—I can smile almost any time. But I have not yet exhausted the possibilities. We have another group in that corner of the house—the hon. member for Nelson (Mr. Bird). I have the greatest regard for him. But he is alone, we cannot very well expect him to attempt cabinet making. Our last recourse is the labour group of three members, and for them I have a very high regard. How could they govern the country? There is only one ultimate result in voting for the amendment or the subamendment if either carries—the return to power of our Conservative friends. I am certain that nobody on this side of the house desires to see them on the treasury benches, nor do my hon. friends in the southeast corner desire it, and far less do the Canadian people.

As I said before, Mr. Speaker, the budget does not satisfy all my ideals or provide all that I think the country requires. I am frank about it.

Mr. GARLAND (Bow River): Not frank enough.

Mr. BEAUBIEN: But I would rather have a slice of bread than no bread at all.

Mr. GARLAND (Bow River): There is not even a slice.

Miss MACPHAIL: It is not bread this time, but a stone.

Mr. BEAUBIEN: I know the hon. Minister of Finance is a very kind-hearted gentleman, and I am sure that when we are in committee of the whole he will see his way clear to deal with the little difficulties in the wording of the proposed tariff changes to which I have drawn attention.

Now, Mr. Speaker, any remarks I make are always brief and to the point. I intend to vote against the amendment of my hon. friend from St. Lawrence-St. George; I intend to vote against the subamendment of my hon. friend from East Lambton; I intend to vote for honest and practical legislation—for the budget.

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): Mr. Speaker, I wish to confirm what the previous speakers from this side of the house have declared, namely, that the budget is a great disappointment to the country generally and in particular to the maritime provinces, in that it contains nothing that can be of any comfort to our people, especially to the working classes and the unemployed. It has always seemed to me, Mr. Speaker, that the people of Canada have always watched with eager interest the annual report of the Finance minister, commonly known as the budget. In this report many looked eagerly for some statement upon which maybe their whole existence depended; they hoped for something in its terms by which their livelihood would be regulated. And surely, Mr. Speaker, one would naturally expect to find in it something concerning our great basic industries; for although each county and province would look for something touching its own local affairs, the great basic industries of the country affect Canada as a whole.

Take for instance the iron, steel and coal industries of Canada. Everyone is more or less interested in them, and yet not one word of them is mentioned in the budget, notwithstanding the declaration of a member of the government during the past year that the Duncan report would be fully implemented.

In the maritimes we have been very hard hit, as we fully expected some protection to our coal and steel industries. During the past few years public relief has been necessary to our miners in Cape Breton. That should not be; yet the government members cry out, "Prosperity; prosperity in our country; our country is growing." Canada cannot be prosperous, this country cannot be built up if we close our industries and factories and import the manufactured articles; and so long as we have the amount of steel and coal imported into Canada, that is now coming in, our manufacturers and collieries must suffer.

[Miss Macphail.]

We in the maritimes were last session very hopeful when the Duncan report was laid on the table, and we felt sure that it would be carried out, especially when a minister of the government publicly announced in the city of St. John that the Duncan report would be fully implemented. And now when the great steel and coal industry of Cape Breton has been placed under a new head, one who seems to be willing to do all in his power to help the situation, surely the government will cooperate to get the miners of Cape Breton work during the winter. As my colleague, the hon. member for South Cape Breton (Mr. MacDonald), said last night, the solution of the question is difficult; but certainly he offered a very good suggestion to the government, and I only trust that the government will act upon the idea. The situation is serious enough, at any rate, for a trial. I do not think the government realizes the conditions that exist in Cape Breton. We can take one instance. My home town, and the surrounding district of Sydney Mines, has a population of about seven thousand people. There are three coal mines in the vicinity—one splendidly equipped mine ahs been closed for over three years; we have six churches and large school houses, with a large attendance of children. The same conditions exist on the southern side of the harbour; large population, many children, good schools, and churches; heavy taxes, accumulated bad debts, and no winter work. We have lost many by exodus; they had to leave for the purpose of getting a livelihood elsewhere. Over four thousand passports to the United States were issued during the year. Can a country be prosperous, Mr. Speaker, or can a country grow and be built up when our people are leaving in hundreds; when industries and factories of all kinds are closed and we are importing coal from foreign countries? We are exporting the greatest asset that Canada ever possessed, that is, our young men and maidens, educated at the expense of the Canadian ratepayers, and we are losing them, they are giving their brains and muscle to other lands.

Canadians paid about $10,000,000 more last year for United States coal than they paid for Canadian coal. United States capital derived more profit from selling coal in Canada last year than Canadian capital derived from the year's operations. More men were employed in the United States to mine coal for sale in Canada than Canadian mines could find work for. More money went into circulation in the United States last year for payments on coal than went into circulation in Canada. In view of these facts, one thing

is certain: that the budget has done nothing to remedy the situation of the unemployed by creating new industries. Rather the reverse; they are closing up the present ones and any business that they may have is stagnant. They cannot therefore expect our people who have left to return to their native land, when no inducements are offered.

I fail to notice in the budget anything relating to our fisheries. I do not suppose the report of the fisheries commission has yet been brought down, but I cannot help feeling that the fishing industry, like many others, has been sadly neglected. I do not wish to say much on the question until the report is given to the house, but I would ask the Minister of Public Works (Mr. Elliott), with whom I have had considerable correspondence, to place in the supplementary estimates such a sum as would be of substantial benefit to the fishermen of Victoria county. A part of my constituency devoted to fishing is so situated geographically that the small harbours and inlets are very much exposed to the storms of the Atlantic, and therefore no breakwaters or wharves can be built. The fishermen cannot compete with the larger fishing fleets of Gloucester and other places because they cannot use boats larger than can be hauled up on the shore. The ex-Minister of Public Works, as an experiment, installed an engine by means of which the boats could be hauled up on a skidway or hoist. This worked very well and I firmly believe that had that gentleman continued as minister of the department he would have installed more such engines. The experiment proved quite successful. When the present Minister of Public Works considers the situation carefully I believe that his generosity, so highly spoken of a few nights ago by an hon. member, will show itself in this instance. I do not know of a more deserving case. Imagine twenty fishermen or so coming into harbour on an evening in the fall, in October or November, a gale of wind blowing. The poor men, tired out from the long day's work, are compelled to go out to their waists in the icy water to drag the fish-laden boats up on the shore. If you ever watched this work being carried on you would say that these men were certainly entitled to some assistance from the government. For two years I have been trying to interest the government in the matter, because the cost would only be about $500 for an engine and skidway, and the fishermen would operate the engine themselves. Now that the Minister of Finance shows a surplus why should not the people of Canada share in it? I am not opposed to the spending of money to beautify Ottawa and make it the Washington of Canada; I do not object to spending half a million dollars for our embassy in Washington while the representative of the wealthiest country in the world has been contentedly living in a rented house in Ottawa, but I do say that while these large and extravagant expenditures are being made by the government on these and other works, the poorer places throughout the country should participate.

There is not a member of this house who has not somewhere in his constituency a small town with no proper post office or other public building. I am reminded of one instance of a beautiful little town along the north shore where the post office was maintained by an old gentleman in his kitchen, for which he received a rental of $1.50 a month. A few years ago this became a distributing office, and the old gentleman had to enlarge his kitchen by building a shed, because a good deal of mail began to come in. Through me he applied to the government to have his rent increased to $2 per month, which was the rent then paid by the customs, but I was told by the Postmaster General that this could not possibly be done, that the laws governing the matter were very strict and could not be altered. I am sure we can all recall similar instances, Mr. Speaker, and I think the government is deficient in its duty to the people of this country in not spending more money in our rural districts. When the people of the maritimes learn of these great expenditures for which they have been taxed they will certainly feel that, according to the estimates for the maritimes this year, they have been discriminated against.

A larger reduction in the income tax would have met with greater favour throughout the country, and I believe the abolition of the sales tax is very necessary. It is the only tax which strikes the working man in what he buys both in the way of clothing and food; in everything he gets from the smallest store in the country it affects him personally, and the abolition of this tax would meet with very strong favour. I will certainly vote for the amendment.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I rise to speak neither in praise of the budget nor yet in absolute condemnation of it. I appreciate the difficulties of the Minister of Finance (Mr. Robb) and I know it is no easy task to budget the accounts of this great country of ours in such a manner as to satisfy and conciliate not only this house but also the conglomerate elements in his own party.

I believe it is a rule in this house to use as much courtesy as possible when commenting on the speeches of other hon. members delivered here. It has been very noticeable however, at least to myself, that whilst the custom of congratulating and complimenting other members on their excellent addresses has been adhered to in the opening of one's speech, it soon becomes apparent that these chivalrous remarks must soon give way to criticism, at first mild but progressively hostile and vituperative. Honeyed words rapidly turn to the bitterest vitriol; sweet-scented bouquets become the hardest of bricks.

It is not my intention to hurl any boquet-wrapped bricks at the Minister of Finance; suffice it to say that the budget of 1928 is a marvellous piece of manipulation, considering the circumstances under which he had to work and the diverse elements with which he had to deal. There are many people in Canada who think that the success of any government is contingent upon compromise; that no government can successfully deal with or satisfy the electors unless by compromise. Their philosophy of politics is summed up in one phrase: No government can function successfully without compromise; its very stability depends upon it. In view of past events it would seem that this philosophy was sound so far as the government were concerned. At any rate they all seem thoroughly imbued with this doctrine, as is proven not only by the budget but by certain things that have been said and things which have taken place in this house in the past few years.

It is now a matter of history that this corner of the house once boasted of a fairly large group. What has become of that group of yesterday? Ask compromise. Where are those ten Progressives who used to glare so defiantly from this corner at those who sat on the government side of the house? They were led astray by the siren voice of compromise. What force is it that can transform the free and militant eagle into the gentle and cooing dove of peace? It has been the magic wand of compromise wielded by the Prime Minister of Canada (Mr. Mackenzie King) who is possessed not only of an intellect of a very high order, but a genius for compromise unrivalled by any member in this house. Consequent upon this understanding there has been an agreement reached whereby it is recognized that the country has demanded a stable government and the group are anxious to comply with that demand; that the policies upon which Progressives and Liberals were elected are based upon commons principles; that the Progressives shall give united support to the government upon those principles, and that the Progressive group shall retain its identity as hitherto. I agree that this is a masterpiece of compromise and admit that it is very cleverly stated, but whether or not the Progressive group is capable of retaining its identity, they have an opportunity even while sitting on that side of the house to act as guardian angels over the Liberal party, to stop them from committing the unpardonable sin of breaking pre-election promises and keep them in the straight and narrow path indicated by the low tariff reform pledges which have put them in the high position they now occupy in the country. I am sure that any reasonable person when offered strawberries and cream will refuse to accept apple sauce instead; if promised the substance we should not grasp at the shadow. I should like to believe that the members who left our group have acted and will act in all sincerity, for I should not like to hear it whispered in application to them, when the roll is called out west: "Oh compromise, what indiscretions have been committed in thy name!" I hope that the Liberal-Progressives are still the evangelists of low tariff. I sincerely urge them to practice what they preach, and if they feel it incumbent upon themselves, in view of their non-activity in the matter, to offer up a prayer, I wish they would include in it a solicitation to their colleagues for a more consistent attitude towards the tariff policy on which they were elected.

When I say this I am reminded of a band of evangelists who were holding a revival some time ago, in order to make a sinful world see the error of its ways and repent. At the conclusion of one of the meetings it was suggested by one of the brethren that some hats should be passed around among the hard boiled sinners in order to take up a collection. This was done, but when the hats came back they were found to be full of old nails, buttons and pins, but not one red cent. Thereupon one of the brethren remarked "Let us now thank God." "For what?" inquired another. "Let us thank God that we have got our hats back," was the reply. Now before our Progressive friends over there pass their hats to their so-called Liberal friends by conviction let their high priest, the hon. member for Lisgar (Mr. Brown) give them first a sermon, taking as his text: Come unto me all ye that are heavy laden and seeketh relief, and I shall give you the protection of my low tariff. Let him then without any further admonition go boldly to the Minister of Finance, hat in hand, with one eagle eye on the minister and the other equally concentrated on the hat, and see to it that the hon. minister puts in that hat not the old nails of futile promise and

adroit circumvention, but the new and shining pennies of a promise fulfilled, of an agreement unbroken, of a tariff policy unsullied, yea, even by a certain element on that side of the house. The member for Lisgar is a man of strong and commanding presence who looks like a likely person to scare the Minister of Finance into relinquishing a vise-like hold on the nickels that are entrusted to his care.

It has often been said that the Progressive movement is an anomaly in Canadian politics; that if they do occupy a place it is only as a sort of left wing to the Liberal party. This view is based on the supposition that both these groups are advocates of the low tariff; the only difference between the two being that while the one group is a little impatient in its attempt to reach that goal, the other believes that we should—

—move forward cautiously with the aid of knowledge of the facts secured by the tariff advisory board toward the goal of making our tariff structure bear as lightly as possible on producer, industry, and the people generally, having always in view the greatest prosperity of all legitimate industries of Canada. The tariff must be made to serve the best interests of the Canadian people as a whole. It must be adjusted from time to time to meet the needs, not of one class or group of industries alone, whichever one that might be, but of our whole economic structure.

Now, what I admire in any person and no less in a government, is courage—the courage of one's convictions. The Finance minister of Canada in concluding the budget speech of last year said:

We are recognized throughout Canada, and we are proud of it, as the low tariff party.

There is an old saying that caution is the better part of valour. If that is true, then I say that the present Liberal government is the most courageous government that Canada ever had. It is cautious to a fault. And why are they so cautious? They are cautious because they believe that is the only alternative. They are cautious because they do not wish to lose their parliamentary quota from Ontario; they are cautious because they do not wish to antagonize protectionist Quebec. I do not believe that hon. members will gainsay me when I emphasize the protectionist temper of our Quebec members. Who but our member from Quebec-Montmorency (Mr. Lavigueur) had this to say in his speech on the budget last year? I quote from his address on that occasion:

I consider it an honour to follow the hon. member for Southeast Grey (Miss Macphail) the only lady member in the House of Commons, although I do not share her views generally and particularly as far as the tariff is concerned. She has told us she is absolutely in favour of a low tariff. Let me assure her that neither the province from which I come, nor I myself, can sympathize with her in that regard. We are in favour of protection for industry. We do not believe in a low tariff. I am glad to have an opportunity to-night to state my views on the tariff question. I am pleased to see that the budget contains no items of reduction.

I have spoken of courage. I believe I must take those remarks back after reading the above quotation. The member for Quebec-Montmorency is very brave in bearding the lion in his own den; but at the same time he is throwing caution to the winds.

No, we are not Liberals. We are a separate entity called the United Farmers' Association. We believe in low tariff, and it is our duty to jack up the Liberal party every once in a while and remind them constantly of their duties in that regard. Like Atlas, we have been holding the world on our shoulders for ages—a thankless task of which there should be some recognition. Now, it has been our fate that we have to sit on this side of the house with hon. members who uphold the doctrine of protection. Owing to the fact that we often sit, talk, and smoke together in the lobbies we have come to love each other almost to the point of brotherly affection. I also wonder whether it has not been by the same token that the Liberals and the Progressives kiss each other's cheeks on that side of the house. Notwithstanding our congeniality in some matters I am sorry however that in matters of policy over here we must disagree. I hope that our differences in this world will be reconciled when we pass off to a better world.

High protection is not the doctrine of the United Farmers' Association. We do not think it is a good thing for a dominion such as ours with its preponderating agricultural industry and among whose constituent provinces there are such wide and glaring differences of interest in this matter. It appears to me that at best protection is an expedient to which the Tories would like to resort to safeguard our industries against foreigners who might unfairly injure them; at worst it is a form of domestic robbery which is very obnoxious when it goes so far as to rob the state to enrich the individual; it is based on a bad principle when importation is forbidden in order to prevent reasonable competition; and finally it is only justifiable when the taxes which it imposes are made available for the needs of the national treasury.

I think we on this side of the house would be very illogical if we did not support a low tariff doctrine. Indeed we must either hang together on that tenet, or hang separately when we get back home.

An hon. MEMBER: Hear, hear. You struck it that time all right.

Mr. LUCHKOVICH: I wonder whether it was the member for Provencher who made that observation?

Miss MACPHAIL: No, it was the Minister of Immigration and Colonization.

Mr. LUCHKOVICH: There are many people to-day who think that Canada should be divided politically into two parts, western and eastern Canada. I am not an advocate of a suicidal policy of that sort. I think that all we need is one government in Ottawa. I have one suggestion, however, that may be interesting if not practical. If we are to have a low tariff versus a high tariff form of government, let us first weed out all the protectionists on the Liberal side and send them over here, and all the low tariff men in the Tory ranks and send them over there. In a word, let us unite all the low tariff men in this house, and whether we be in a majority or in a minority let us then proceed honestly to do the work for which our electors sent us here.

And what of the changes in the budget? After the budget is brought down it is quite usual to hear in the lobbies and elsewhere many preliminary skirmishes as to its merits or demerits. Naturally I was interested in getting the opinion of others. One man in answer to my query had this to say about the budget: "Is there one tariff change in the Robb budget that means a job capable of employing a Canadian boy in Canada or bringing an exiled Canadian back from the United States?" "And what about the income tax?" was my further query. "A very considerable number of Canada's former income tax payers," he said, "are now in the United States working for their living. Had the policy been adhered to of protecting our home markets in the interests of both agricultural and manufacturing producers, Canada would probably have had a million more people than she has to-day and her wealth production would have been enormously increased. United States is the most highly protected country in the world. Why should we not protect Canada also? Why, if I had my business down there I would be able to make three times as much as I make here." Of course I realize that distant pastures always look green and I am not prepared to argue this matter. I have pondered his words, however, and I am still wondering whether his case is not analogous to that of the Irishman who thought if he could take the lakes of Killarney with him to purgatory he would be able to sell them down there at a shilling a drop.

An hon. MEMBER: What about the Jew?

Mr. LUCHKOVICH: The Jew? Well, I do not think he believes in purgatory.

I have heard it stated many times in this house and I have heard it stated during this budget debate that the government has been responsible for the exodus of many young Canadian men and women into the United States. I have no reason for agreeing with the government, but on this occasion I would venture to state that the government is not wholly to blame for this wholesale emigration. I believe there are certain subtle and insidious influences entering into this matter which are beyond the control of any government. Some one in this house has said that Canada is a geographical absurdity. Perhaps this is one of the reasons; but there are other reasons which are not of a rational but rather of a mystical nature.

Last spring it chanced that I paid a visit to a doctor friend of mine in Detroit. I admit that I was deeply impressed when, on getting off the train at Windsor, I beheld the countless numbers of tall skyscrapers skirting the Detroit river on the American side and looming up into the skies in majestic grandeur. The sight seemed all the more striking when one compared the luxuriously constructed American side with that of the city of Windsor. I have often wondered ever since how that grand sight has affected the countless young men and women who have had the fortune or perhaps the misfortune of viewing it as I viewed it. I am not a student of psychology, but the place once seen must have stirred up a conflict of emotions in their young breasts. Many of them, doubtless, would feel that they could do better over on the American side; and this feeling is naturally augmented by the fact that many of their friends have done well in the states. If a poor young Canadian girl, unknown and unheralded, leaves Toronto and makes a name for herself as the greatest living American actress, is it not reasonable to assume that others would like to emulate her success? I refer to Mary Pickford. If it is possible for a poor young Toronto boy practically to traverse the continent down to Los Angeles and win a $25,000 prize, does it not follow that other boys would like to do the same?

The United States is a very populous and rich country, older by many years than Canada. There is no doubt that wonderful progress has been made in the last decade, but just the same I for one prefer to live in Can-

ada. I prefer the quiet dignity of Canada to the loud egoism of the States; I prefer the stern but fairer administration of justice in our law courts; and finally I prefer the splendid morale of my people to the looser living of the folks across the line. Once I stepped into a law court in the United States and I was quite surprised to find two lawyers sitting on chairs in the law court and smoking cigars. They had their hats on and they were vying with each other as to which one of them could emit saliva into cuspidors about twenty-five feet away from them. I am sure nothing of that sort happens in Canadian courts. We have in this country decorum, dignity and many other things which the people of the United States do not possess.

You tell me that the youth of our land has gone to the States. Well I believe that the process will be reversed just as soon as we begin to forge ahead a little more. I do not, however believe in colossal strides in progress. That is what is wrong with the United States; they are going ahead too fast, with disastrous effects upon the chastity and morale of her people. It is better for Canada to forge ahead slowly but surely and to keep her traditions of dignity, courage, chastity and thrift intact, than to go ahead by leaps and bounds but at the same time destroy all we should hold dear as life itself. I am an optimist. Our boys and girls will come back and so will Canada, not because, but in spite of, the Robb budget.

And what is that budget we hear so much about nowadays? From a Liberal viewpoint, summed up briefly it means a lowering of the cost of living to the people, while at the same time giving every reasonable protection to industry and every possible encouragement to the promotion of trade within the empire. They call it a "work and thrift" budget. But is it a "work and thrift" budget? Let us see. The government each year has been spending more than the preceding year. Its surplus is, therefore, not the product of economy. Now the Minister of Finance has declared that the government's policy is to work both ways—to reduce debt and to reduce taxation. These may be admirable objectives, but I feel sure he would be able to do each of these things more acceptably to the Canadian people if he would produce surpluses by economy as well as by budgeting for a large revenue. I believe the minister will admit that 1927 was a comparatively good year, so that when a government budgets for nearly $55,000,000 more than it spends and taxes the people enough to secure the budgeted income, it is not difficult in a period of expansion to produce a surplus.

I realize that when I speak of economy the Minister of Finance may say: "All right, then, we shall withdraw our assistance for good roads and technical education and also increase the freight rates and use the extra income of the railways to promote immigration." This, I contend, would be false economy; and I understand he favours the withdrawals in all cases. I would like to point out, however, that the dominion treasury was enriched by about two and one-half million dollars last year from the liquor business in the province of Alberta alone; but that the amount for roads and technical education paid out to Alberta by the Minister of Finance was very small in comparison. Practically all the provinces are now engaged in the liquor trade. When one considers the fact that the government receives more from this trade than do the provinces themselves, the talk of economizing by withdrawing the grants for highways and technical education is extremely unreasonable.

I understand that Sir Henry Thornton, whether on the initiative of the government or not I do not know, has a proposal to increase freight rates and to apply the extra income derived therefrom to promote immigration. This would be discrimination, and I see no reason why the shippers of this country should carry our immigration burden. Immigration is a general policy and should therefore be a general charge upon the whole community. If the minister wishes to economize he can do so by a weeding out process in the departments, by amalgamation of branches that could be practically run under one head. Tax reductions were made last year at a sacrifice of $27,000,000 in revenue; this year the reduction amounts to $19,000,000, so that $46,000,000 might easily have been added to the curtailment of our huge war debt which, strange to say, hovers every year in the neigbourhood of about $2,600,000,000.

A payment of about $1,000,000,000 falls due in 1933. It bears interest at 5½ per cent. The minister of Finance proposes to take advantage of the favourable condition of the money markets and retire this debt with money borrowed at 4 per cent. I think this is good business and I have no quarrel with the minister on that score. It is good economy.

In so far as the sales tax is a heavy burden on the consumer, I approve of its reduction on the necessaries of life.

And now I come to that "most unkindest cut of all"—the income tax. During the course of the budget debate last year I remember some one on this side of the house remarking that the farmer is opposed to a reduction in the income tax because he does not have to pay any income tax at all; that he desired the repeal of the sales tax law because he could not evade the sales tax.

The truth of the matter is that there are very few farmers whose incomes for taxation purposes reach beyond the exemptions set by law, and even if they had such incomes they would prefer to pay income tax to paying either tariff taxes or sales tax. It is the belief of all farmers' organizations that reduction of taxation, as it becomes possible, should take place by reducing and removing those protective duties on imports which increase the cost of living and production in preference to a reduction of other indirect taxes, such as the sales tax, and that the income tax should be maintained at substantially the scale then in force. Farmers want the retention of the income tax, not on the basis of any class interest but on the definite principle of equity in taxation and the desirability of taxation being direct rather than indirect. They do not ask the repeal of the sales tax, as an indirect tax, until after the existing duties on imports have been removed, since they regard the sales tax as somewhat less injurious than the tariff.

The income tax in 1926 produced $55,571,961.57, and after the 10 per cent reduction the Finance minister estimated that the income tax would, in 1927 produce $47,900,000, a loss of over $8,000,000 from this source. Of course, the government has been bombarded by all the large income tax payers, who naturally want relief. The argument that the income tax reduces funds available for investment in industry has been worked overtime. Of course it is quite true. But all taxes have the same effect. When the farmer pays his various taxes, visible and invisible, he has just that much less money to invest in the development of his own industry. But it must be remembered that the income tax is the only federal tax which compels people to contribute to the cost of running the country in proportion to their ability to pay. We do not believe that the income tax, even before this last reduction, bore unduly or unfairly upon any one. It should not be forgotten also that just as the income tax is reduced so will the proportion of indirect taxation increase, and a heavier load will be placed upon those least able to carry it.

Last year's budget has been described as a rich man's budget. In view of the further cut in the income tax I know of no better name for this year's budget than to call it the richer man's; for where the man who is capable of paying last year paid 10 per cent less, his income tax this year virtually becomes 20 per cent less. At this rate it will soon be eliminated, and this means that the great majority of Canadian people will hereafter pay taxes to the federal authorities only upon consumption in the form of tariff duties, which go to the treasury when paid upon imported goods, or to the manufacturers, who, under shelter of the tariff, can charge higher prices for competing articles of domestic production.

Why should we in Canada be so anxious to reduce the income tax when countries like England and the United States still retain it? Why should the Minister of Finance lend a willing ear to these who are best able to pay, many of them still enjoying the fruits of war profits, and then thrust the burden upon the backs of the common people? In the United States 64 per cent of their taxes come from the income tax, in Canada less than 14 per cent. Last year the income tax brought $48,000,000 to our treasury. Why should the government wish to reduce it? Not on the ground of equity, for it is the most equitable of taxes; not on the ground of visibility, for it is the most visible of taxes; not on the ground of certainty or convenience, for it is the easiest tax in the world to collect. There is absolutely no justification in the world for reducing the income tax in view of the paltry reductions made in the tariff. In view, therefore, of the staggering figures of our huge war debt, and in view of the almost negligible reduction in the tariff, I see absolutely no justification for the minister lowering the income tax.

The average man at home looks upon the member at Ottawa as a person who is supposed to "bring home the bacon". In the old parties it means getting as much patronage for your supporters as you possibly can; and in this respect I look upon the Postmaster General (Mr. Veniot), as the grand daddy of them all; in a word it means "to the victor belongs the spoils".

The phrase about "bringing home the bacon" was coined by the old negro mother of Joe Gans, the prize fighter. On the eve of one of his greatest battles she said: "Joe, I expect you to get into that ring and win; your old mammy will be praying for you, so don't forget to bring home the bacon". Thus when I speak of "bringing home the bacon" I mean bringing home victory for those who sent us here. What we want is a square deal for the farmer, nothing more and nothing less; but how can we do it when the Minister of Finance continues to sizzle our bacon to a frizzle? The farmer wishes to get the same equal treatment for his industry that the manufacturer is getting for his. I should like to dissipate the view held on this side of the house that we in this corner are a band of outlaws come out from the wild and woolly

west to burn up their factories and carry off their wealth. We are just as law-abiding as they are, and we are just as serious in putting our industry on as sound a business basis as we already realize they have done with theirs. All we ask is an equalization of opportunity; in other words, we want equal rights for all and special privileges for none.

What I would like hon. members to know, who think that the farmer has no grievance, is that there is too great a discrepancy between the prices the Canadian farmer receives and the prices he has to pay for what he buys. Nobody will kick about 75 cents a bushel wheat if shoes are down to $2. We realize that laws will not do everything for us—and I am sure this year's budget will not —so we are beginning to do things for ourselves. We have learned how, by cooperation and education, to avoid exploitation by middlemen. We are striving to put our farming on a business basis and we hope to see the time when we can make business-like decisions on our own initiative.

I repeat, therefore, that all the Canadian farmer asks is the same right which other Canadian industries now enjoy, through their superior organization, to name a price in the first instance, and to acquire an organization which will secure to him the same power to maintain that price. This we are striving to do, mostly through personal initiative, and partly through legislation; and this is my idea of the noblest way of "bringing home the bacon".

I should now like to deal with the question of immigration, especially in the light of what has been said during this budget debate. No one seems to oppose immigrants coming into this country, but they do question the method or manner in which they are brought here. I for one, deep down in my heart feel that we need more people here, and I am courageous enough to say that I do not oppose immigration. This country is big enough and good enough to contain three times its present population. There is one thing certain about the position of a member of parliament, and that is that he never lacks for material of all shades of opinion. Thousands of pounds of mail in the shape of letters, pamphlets, magazines, books and newspapers reach the members during the session for their information or misinformation. Yesterday I received a copy of the Montreal Star containing an article marked with a blue pencil, on the failure of our immigration policy. The whole argument is so much in line with what our Conservative friends have to say on this subject that I am intrigued into quoting a part of it:

> It is an extravagant and cruel folly to entice people to come to this country and to leave them stranded here without means of earning their livelihood.

I am in complete accord with that part, but it goes on to say that only through a protective tariff policy can we get immigration. With that I am not in accord. Some one has said that our immigration policy is very analogous to the famous old rhyme:

> "Will you walk into my parlour,"
> Said the spider to the fly,
> "It's the prettiest little parlour
> That ever you did spy."
> But if the fly was wise
> He never would go in;
> He would know very well
> There was nothing there for him.

I know a case where some false representation has had beneficial results in the end, but this is an exception to the rule, and in any case it could never work out in the same way to-day. I know a district in Alberta where a settler who came here thirty years ago felt quite lonely because he was there all alone. He wanted more of his own villagers to settle there with him so he wrote back home saying that Canada was a most luxuriant country where everything from hay to coconuts, peaches and bananas grew in the greatest abundance. It was not long after that letter was received away back home in the old country that that whole village became depopulated, for they all sold out and came to Alberta. Of course at first they were all sorely peeved, but being a very hardy race they soon adapted themselves to conditions here, and to-day they are among Alberta's best settlers. I have said that this is an exceptional case and should not be followed as a general rule by the immigration authorities.

I object again to the commercialization of immigration, which enriches a few individuals at the expense of the country. Immigration should be controlled by the Dominion and not delegated to private individuals or associations. The Dominion should select the immigrant and when he gets here should see that he is properly placed.

I do not believe in paternalism or a spoon-fed immigration. I know from experience with immigrants in the past that those immigrants who had the least means and help were the ones to make the best success; while those who came here in comparative luxury are now virtually begging off their more prosperous neighbours. I say emphatically that paternalism is a vicious animal which will finally turn upon and bite its master. This is no country for mollycoddles; what we want is the hardy red-booded pioneering type that

scorns being fed with a silver spoon, but will roll up his sleeves and tackle without a murmur any obstacle that may confront him.

And how best can we bring them over here? To my mind the best and safest method is to allow families already settled here to bring their relatives to this country, provided they are fit and of the proper type. This will ensure to the country that someone at least will be responsible for them when they get here, and that they will not become a charge upon the country. Of course other supplementary methods could be suggested, but my time is short. And from where shall we bring those immigrants? From any country under God's sun that has the proper, adaptable type for a country like Canada; meaning, of course, a type of the white race that would be amenable to our ideas and democratic form of government. I object strenuously to the suggestion that the central European does not make a good citizen. A good citizen is a man who behaves himself, pays his taxes, does the right thing by himself and his neighbour, and, last but not least, is a sticker. The Germans and Scandinavians make wonderful settlers, but so do the Ukrainians. In a few years they have acquired the language of this country, and an understanding of our institutions as good as the best of them. I think that the member for Saskatoon (Mr. Young) will agree with me that in the institute in his constituency there are about 120 of the finest Canadians of Ukrainian extraction one would ever meet. I repeat that measured by every possible standard the Ukrainian becomes as good a Canadian as any of them. I have said that he is a sticker, and I mean it; for what avails it to a country, if a native born would rather flaunt his patriotism by waving a flag and rocking the boat than putting his hands to the oar. I have seen many of our native born run up a debt and then leave their farms because they would not live within their means. True patriotism, I insist again, also includes persistence and frugality even under trying circumstances.

I know it is hard to be patriotic under trying circumstances, but no man is a true patriot unless he has character; and character after all can only be moulded by a persistent battle with those circumstances. The man who comes out of such an elemental conflict successfully is a man of strong character. It is probably this that the Irish politician had in mind when he said: "Oh, never mind the foreigner, he is all right. In a few years he'll be out of the skinned class into the skinners and he'll then be as patriotic as any of us." If we wish to make the foreigner patriotic we must meet him half way and give him a

[Mr. Luchkovich.]

fair chance in the world. If we wish him to share our responsibilities we must stop discriminating against him; we must stop making him the goat of all our social unrest. Let us remember that it was a central European who risked his life in the Hollinger mine to save native Canadians from death. Surely this example alone should prove that he is actuated by the same high motives as our native born. So why should we not help him instead of hindering him from becoming a genuine Canadian citizen?

Mr. DEPUTY SPEAKER: Order.

Mr. A. E. MacLEAN (Prince): Mr. Speaker I am sure that we were all greatly pleased a few days ago when the Minister of Finance (Mr. Robb) brought down the budget. Believing as we do on this side of the house in the principles enunciated in the budget I think we may at least commend him to a certain degree. There can be no doubt that if circumstances had compelled him to announce a deficit and an increase of taxation he would have been the most unhappy and the most unpopular man in this house. But we are all pleased that the business ability which he has so conspicuously displayed in his private affairs he has brought to bear in handling the financial affairs of the Dominion, with the result that from year to year he has been able to show a steady improvement in the finances of the country. When he presented the budget he said he was pleased to be able to announce a reduction both in the national debt and in taxation; and I think this will constitute another Robb budget slogan for the coming year.

Some of our friends opposite have told us in the course of this debate that the tariff reductions proposed by the Minister of Finance will force into exile more and more of our native born Canadians. But this dismal prediction is not confirmed by the very favourable comments that have appeared in the English press. For instance the London Express says:

> The Canadian budget is of a kind to make an Englishmen's mouth water. It is one more proof that Canada to-day is perhaps the most enviable country in the world. It is being borne along on a tide of natural and, therefore, enduring prosperity. Ater all, it is only a meagre reward compared with the certainties of the future. Young men and women of character and pluck should not hesitate. The heritage of empire and chance of fortune are there to seize.

I think that is very good immigration literature and very encouraging proof that the budget is well received in Great Britain. The Sunday Observer remarks:

The Hon. James Robb introduced the budget to make European finance ministers envious. The new tariff is framed to safeguard the interests of home products in a growing market. The principle of British preference is carefully maintained, and is now as established a feature of Dominion finance as it is of our own. As a whole, the budget and facts lying behind it supply conclusive arguments for an energetic and coherent immigration policy.

I do not think we could wish for very much better immigration literature than that. Among the good things contained in the budget is an item of sixteen million dollars to take care of the revaluation of returned soldiers' land. I do not think there is a better item to be found there. Then $1,477,000 is provided for pensions to our returned men. That is another item that I think everyone throughout the country will approve, and I do not see how any hon. member can vote against it. That, in addition to the thirty-eight million dollars already paid in pensions to our returned men is something that Canada may well be proud of. This year the additional amount provided for our returned soldiers in the budget totals $17,500,000.

There is no doubt, Mr. Speaker, that we who support a lower tariff would like to have seen further tariff reductions. I do not know how some of my friends from the maritimes view the situation, but I feel very strongly that the tariff is one of the greatest hindrances to us down there. We have only to look back a few years and examine the figures showing the decline of population in the maritime provinces to see what great difficulties they have had to overcome. Taking the percentage of natural increase, we find that from 1901 to 1921 the figures were as folows: Saskatchewan, 729; Alberta, 725; British Columbia, 192; Manitoba, 139; Quebec, 42; Ontario, 34; New Brunswick, 17; Nova Scotia, 31. Thus of all the provinces in Canada in which there was an increase Nova Scotia shows the lowest, while Prince Edward Island had a decrease in population of over 14 per cent. It is only natural for us to inquire into the reason for this, and for an explanation we need but go back a few years and look at some of the figures which have been given indicating the decline in population in the maritime provinces, and especially in the province of Nova Scotia. What do these figures reveal? According to the census for the ten year period 1817-27 there was an increase in Nova Scotia of 61,000; in the next decade, 78,000; then, in the successive decades respectively, 72,000, 34,000, 56,000 and 52,000. We come to the period, then, within which the national policy was introduced. When this last census was taken the national policy had not been introduced; it was put into effect in 1878. In that period we find that the population of Nova Scotia had declined, so that the increase, instead of being 52,000, was only 9,000. I do not see how our friends opposite can rebut a statement as conclusive as this. In the next ten year period the increase stood at the same figure, 9,000. So that the fact is quite significant that, with the introduction of the national policy and the change in the conditions of trade in the maritime provinces resulting therefrom, our population suffered to so considerable an extent that, in place of an natural increase of 52,000 in a period of ten years it had fallen to 9,000, while in Prince Edward Island the increase had been entirely wiped out and there was a decrease of 14 per cent, shortly following this period. I do not think that any argument can be advanced in support of a protective policy so far as the maritime provinces are concerned.

Now I come to the amendment which was moved the other day by my hon. friend from St. Lawrence-St. George (Mr. Cahan). The amendment begins with the declaration that this house "regrets", and one infers from a reading of it that there are many things which are to be regretted. It seems to me that the greatest regret of all, from the standpoint of hon. gentlemen opposite, is that they are not on this side of the house in charge of the administration of public affairs. The old policy which our friends have preached to the country year after year, election after election is dressed up in somewhat new clothes, but it is the same old doctrine. I do not deny that it is ingeniously worded this time, no doubt with the idea of avoiding the use of the term "high protection"; the amendment evidently seeks to convey an impression that this is not its real object. It seems that the term "high protection" is being abandoned by our friends opposite, so that to-day they mention it only with bated breath or in a whisper. However, it is stated in the amendment that the measure which hon. gentlemen opposite propose will tend to keep at home those Canadians who are now in the country and induce those Canadians who are in the United States to return. There is no doubt at all as to what our friends really have in mind; they believe that higher protection will bring about this wonderful result. All we need do is to introduce again this brick for brick policy, about which we have heard so much in the last few years, and everything will be perfectly satisfactory again. That is what our friends would have us believe. But what is the meaning of the amendment, translated into plain English? It is simply this: This house regrets that the government has not brought in a measure of

higher protection for all our industries, making the tariff so high as to induce Canadians in the United States to return and Canadians who are now in the Dominion to remain here. That is what it means. The inference is also to be drawn from the amendment that, in the opinion of hon. gentlemen opposite, high protection will build up the home market for our products. It is the same old story; protection will do it all. I do not think my hon. friend from St. Lawrence-St. George could have been altogether sincere in advancing this policy. I find that in his own remarks, as reported at page 623 of Hansard, he admits that the policy is not satisfactory for the whole of Canada. He states there that if the policy were introduced it would be necessary to do something for the maritime provinces and for the prairies as well. In other words, they would bonus these provinces in some way to offset the injury which they would suffer from protection. I do not think a policy of that description can be very well advocated as one that could be applicable to the whole Dominion.

I have observed in the Montreal Star a suggestion rather similar to the above and which one of our western friends referred to a few moments ago. The Star offers a new policy, and I do not know whether it is altogether in conformity with the proposal put forward by the hon. member for St. Lawrence-St. George. In the first place, it is proposed to apply the system of protection in full measure to secure a home market for our producers. Now, I am willing to give the Star credit for an earnest desire to do the best it can in the interests of this Dominion. Those who direct its affairs have done a great deal to give to this country what is perhaps the greatest newspaper we have, and I am inclined to think that their interest in Canada is sufficiently strong to actuate them in what they consider to be the wisest course. But we must look into their policy critically to see how it will operate. They say we should have protection so as to shut out foreign goods and keep our market for the home producer. But if you keep out all foreign goods you immediately increase prices to the consumer. This is clearly the case, because if protection is not intended to increase prices why is it demanded? In other words, the manufacturer here would have the market now if he could produce cheaply enough to hold it. Prices to the consumer must therefore be increased correspondingly with every increase in protection. That is fact No. 1, and I think the house will agree with me that the consumer gets the worst of the bargain.

[Mr. A. E. MacLean.]

The next suggestion is to bonus the manufacturer on his exports to enable him to undersell trade rivals in foreign countries. Here again the consumer in Canada gets the worst of the bargain. Let us take an industry in Ontario. The province of Prince Edward Island has to contribute its share to pay the bonus to the Ontario firm, but it gets nothing in return. As a matter of fact, the consumers in Prince Edward Island, under such an arrangement, are taxed twice on the same article; they pay the increased price for the article in the home market on account of the added protection, and they also contribute to the bonus for the exporter. In this way the farmer of Prince Edward Island is taxed twice over. I do not think that such a policy would be for a moment acceptable to the whole Dominion. But what about the farmer? He has to go out and sell his produce in competition with the world, with no guarantee of any fixed price, notwithstanding the fact, as I have pointed out, that he would have to contribute in two ways, under such a policy as is here proposed, to the support of the manufacturer, who has a safe margin of profit, without any risks in connection with the disposal of his goods. It seems to me that when the Star looks into the suggestion somewhat more closely it will realize how unworkable it is. A rigid system of inspection is also urged whereby prices shall not be increased. To my mind this is also impossible. The manufacturer has to sell at cost, plus a small profit. It would be impossible to enforce such a system inasmuch as one manufacturer can produce at a much cheaper rate than another. The result is that the consumer would soon find himself paying the full added tariff together with a nice margin of profit to the manufacturer. So I do not think it would be possible to put that policy into operation, notwithstanding the good intentions which no doubt influenced the Star in that connection.

There is another strange thing about the speech of the hon. member for St. Lawrence-St. George. Presumably he laid down the policy of the Conservative party, and among the principles he enumerated was the following:

> The stabilization in Canada of the costs of living and the costs of implements of production on such comparatively low bases as will enable our people, in producing and selling our surplus of national products abroad, to compete advantageously with the products of foreign countries in our common markets abroad.

I do not know whether or not that is the policy advocated by the Star, but our friends opposite have been condemning the Liberal party for years, and they said our policy of

lowering the cost of implements of production was driving our people from Canada, forcing them to compete with the cheaper markets of the world and giving them less than an equal chance with other countries. This government have been taken to task at different times by hon. gentlemen opposite for this very thing. Now our friends are going to do two things at once; they are going to put the cost of living and the cost of production on such a low basis that our people will be able to compete with foreign countries in the markets of the world, and they are going to do it by increasing the tariff. That is the peculiar part of this argument, although the hon. member does not specifically say so. I cannot see how our friends opposite can be consistent in advocating a policy of that kind; to my mind that is ridiculous. How can you cheapen the cost of the implements of production by increasing the tariff? I do not think this policy will prove very acceptable to the Canadian people. Do they propose to bring our people to serfdom by compelling them to work longer hours for less pay, in order to produce cheap manufactured articles to sell in competition with the world? If we fully consider this article in the Star we can only come to the conclusion that if an industry requires a bonus in order that it may be kept going, it is up to the province, the municipality or the city in which that industry is located to look after it, if it is going to be a benefit to that particular community. I do not think the rest of Canada should be asked to pay a bonus to an industry in the city of Toronto, or some other city, to the detriment to the rest of the Dominion. If it is so advantageous to these communities to retain these industries, those communities should bonus the industries locally; the whole country should not be asked to do so.

Referring for a moment to the tariff board, which has been discussed quite often, I have advocated from time to time the widening of the scope of this board. I do not know the views of the government on this question, but I think the efficiency of that board could be greatly increased by widening their scope in order that they might confer with other tariff boards. In the United States they have a tariff commission which is a fact finding body acting in an advisory capacity, very similar to our own board, and if these two bodies could confer together there might be a good many items on which a reasonable adjustment could be made.

The question of potatoes in the province of Prince Edward Island has often been mentioned in this house. We are in that business on a very large scale at present, and are forced to ship these potatoes into the United States against a tariff of 50 cents per hundred pounds. We are growing certified seed potatoes there, which the farmers in the southern states need; it is to the benefit of the farmers and consumers to get those potatoes as cheaply as possible. I have had a good deal of correspondence with the United States tariff commission on this question, and I was surprised at the attention they gave the matter simply through my personal request. They went into it very thoroughly, and the question of whether or not seed potatoes could be identified as against table stock came up. Finally I received a communication from them stating that the explanation I had offered had been carefully considered, and they were of the opinion that if the state of Maine did not object too much there was a possibility that some satisfactory solution of the question might be found. I assured them that seed potatoes were certified with a government tag, and could be identified as such; therefore there was no possibility of these potatoes coming into competition with the table stock. I believe that the government would do well to widen the scope of the tariff board and let them interview other tariff boards in connection with matters of this kind.

There are always matters of local interest which we wish to talk over, and matters of this kind have been referred to by other speakers in this debate. Just in passing I would like to compliment the government, and more particularly the Minister of Public Works (Mr. Elliott), on the splendid facilities which have been given us for the handling of our crops—through the erection of suitable cold storage or semi-frostproof warehouses at Summerside, Charlottetown and Georgetown. These warehouses have been a great benefit to our people and have been used very extensively during the past year. As time goes on our people will see more clearly the benefits which they are receiving from these improved facilities.

That brings to mind another matter, and I would like to refer briefly to the request which has been put forward for a second car ferry. This is now being considered by the management of the Canadian National Railways. We sincerely hope that the time is not far distant when another efficient and suitable boat will be put on that route to take care of the increased traffic. The one boat on the route at present is taken off for perhaps six weeks in the spring season for repairs, and that is the very time of the year that it is most needed, with people coming to the island as tourists and others returning from trips abroad. The Scotia, which takes the place

of the ferry during those weeks, offers very poor passenger service, and I sincerely trust that this important matter will not be overlooked. Prince Edward Island is only a small province, but it is one of the provinces of this Dominion; the other provinces have their interprovincial bridges and other means of transportation, so why not give little Prince Edward Island the same amount of consideration? We are only asking for a fair deal, to be treated as a province of this Dominion should be treated and given the transportation facilities now enjoyed by the other provinces.

There is another question which has been discussed at various times and which is supported by all shades of political opinion in Prince Edward Island, that is, the need for more branch lines to extend the present railway system in that provinces. This is very important, and the matter has been brought to the attention of the government by myself and the other members from that province. We sincerely hope that it will be taken into favourable consideration by the railway management. Perhaps it is difficult to grant all the things we ask, but Prince Edward Island is purely an agricultural province; unless our people have adequate shipping facilities near at hand to take care of their products it is impossible for them to carry on, and we ask that these matters be given very favourable consideration.

The question of the fisheries of the maritimes is before a royal commission, and we entertain the hope that some assistance will be given towards removing some of the difficulties which our fishermen have to contend with. One recommendation I wish to make now is that some small boat harbours be constructed along exposed coasts, which would be a great benefit to our people. I do not know any class who endure the same hardships as the fishermen on the exposed coasts of the maritime provinces, and if a vote should be brought before this house with a view of alleviating their condition I hope that members from other parts of the Dominion will not look upon it as something which is being handed out in a political way to ridings in the maritime provinces. I wish to protest emphatically against such an idea as that, and to say that there is not a small boat harbour, wharf or breakwater on the coast of the maritimes which does not benefit the fishermen and the shipping public. Greater facilities are needed, and I hope that the requests we have made to the department in this connection will be considered this year.

There are a few suggestions I should like to make having as their object the improvement of the fisheries situation. They may be summarized as follows:

[Mr. A. E. MacLean.]

(1) Some assistance to develop a better system of preparing our fish for market so that a uniform and absolutely reliable brand or pack may be put on the market.

(2) That assistance be given to the fishermen by way of cold storage facilities and swift transportation to enable them to place their fish on the market in the best possible form.

(3) That a system of inspection be instituted in order that the pack may carry the inspector's guarantee as to quality.

(4) That the superior qualities of the lobster over the Japanese crab or the American crayfish be advertised to the world by the Department of Fisheries.

I may say that other varieties of fish are encroaching upon the market for lobsters, which used to be a wonderful industry in the maritimes. I think it is only necessary to demonstrate the superiority of the lobster over fish sought to be introduced as substitutes to convince everyone that the lobster should receive its rightful place in the markets of the world.

(5) That special attention be given to the restoration of the oyster areas in the maritimes, especially the habitat of the famous Malpeque oyster.

For the past few years we have been asking the Department of Fisheries to do something towards the restoration of these former wonderful areas. I brought the matter up in this house a few years ago, and I had the support at that time of the hon. member for West York (Sir Henry Drayton) who is not with us this session. That hon. gentleman stated that in his opinion there was not a more important question before the house that session than the restoration of these oyster areas, and if it was at all possible the effort should be made to restore them to their old time condition. I believe that if a proper expert were put in charge of this work, those wonderful Malpeque oysters which were formerly the envy of the world could be brought back to a proper state of productivity. There is no doubt that if this were done hundreds of thousands of dollars would accrue to the fishermen of our province.

(6) That the present season now in effect in the maritimes for lobster fishing be retained, with a possible change of opening dates and boundaries to suit conditions.

(7) That every day's lobster pack be labelled with a government label and that there be a tag on the case, giving the name of the packer and the date on which the product was packed, so that no fish can be sold without this government guarantee.

These are a few recommendations which I am sure would help the fishermen, and I trust

that the Minister of Marine and Fisheries (Mr. Cardin) will not overlook them when the report of the royal commission is being considered, along with any changes which the department itself may feel impelled to introduce.

One question which has been greatly discussed by the members from the maritime provinces is the implementing of the Duncan commission report. To my mind the government has made an honest effort to implement that report; some of its phases have been splendidly taken care of, while others remain to be further considered. With respect to the question of a twenty per cent reduction in the freight rates, I notice there is an item in the estimates amounting to $3,395,000 to give effect to it. This is a very large item, and I was unable to ascertain just what proportion of that sum would go to each of the maritimes. The management of the national railways was not able to give me any detailed information on the matter, but it is quite certain that a very large share will go to the province of Prince Edward Island. I looked into the freight rate matter before leaving for Ottawa and I find that on a carload of potatoes shipped from the western part of the province there is a reduction of about $12 a car. In the case of shipments to the St. John or Halifax market there is a reduction of some $15 a car, and so on according to the mileage involved. I think these reductions will not only benefit the shippers of freight from Prince Edward Island, but that it will represent a large item on the freight coming in. Therefore these reductions, which have come about as a result of the Duncan commission's report, will be of great benefit to the people in the maritimes and will save hundreds of thousands of dollars to the people of Prince Edward Island.

With respect to the tariff, hon. gentlemen opposite have complained that the Liberal party this year have taken more in customs duties than they had done themselves in former years. Personally I feel that I could not have a better story with which to go to the people of my county. We have always advocated a tariff for revenue, otherwise a low tariff, and it works out apparently just as we have always claimed it would do. The lower your tariff the larger revenue you get, and the people of the country are given a chance to import commodities which they desire at reasonable prices, while at the same time a substantial contribution is made to the revenues of the country. Hon. gentlemen opposite, therefore, need not try to alarm the country, especially the maritimes, by making this complaint with respect to customs duties, because our people want the tariff reduced to a point where they can import what they need at a reasonable rate, while at the same time the revenue gains to no inconsiderable extent. A high tariff will defeat this object.

The question of an increase in the subsidies to the maritimes is one of outstanding importance. The people of the maritime provinces hope that these subsidies, especially the subsidy to Prince Edward Island, will be still further augmented. I do not know what the Minister of Finance will say to the suggestion but I hope that he will give it his favourable consideration. There are many reasons why the subsidies should be increased, and those reasons have been stated here from time to time. The Duncan commission went very thoroughly into the matter, and their opinion was that sufficient account was not taken of the abrogation of the reciprocity with the United States. This regrettable event left the maritimes without a market and it took them a great many years to find a new market. I have pointed out on a previous occasion that when that agreement was abrogated, and the national policy was brought into effect, in one decade the population of Nova Scotia dropped from $52,000 to 9,000 souls. There must have been some reason for that, and the reason is that the national policy did not suit the conditions in that part of Canada. Prior to confederation the customs and excise duties went to the provinces as their chief source of revenue. At confederation these were turned over to the Dominion government. These revenues have gone on increasing and the Dominion is getting the benefit therefrom while the subsidies to the maritimes have not increased in the same proportion. That is a very strong reason in favour of an increase. In order to supplement the case I may state that in 1868 for every dollar paid out to the provinces in subsidies the federal government only received $4 in the form of revenue. To-day for every dollar paid out for the same purpose the federal government receive $12 in the shape of revenue or three times as much as they derived in 1868. On that score alone we have a strong claim for a larger subsidy. Sir Andrew Rae Duncan referred to the purchasing power of the dollar, and said that even if the arrangement with the maritime provinces may have been satisfactory for the carrying on of the governments there in 1907 the drop in the purchasing power of the dollar would call for revision at the present time.

The question of the public lands should also be borne in mind. The proprietors in

Prince Edward Island received grants of land from the British crown, but three-fifths of these lands were bought out by the tenants and local government prior to confederation. A sum not exceeding $800,000 was set apart under the terms of confederation for the purchase of these lands and $45,000 was to be paid annually by the Dominion. The commission reports that nearly this whole amount and the $45,000 annually, has been lost to the province, so that it has received no benefit from the arrangement.

The same can be said about the railway claim. Something like $4,700,000 was placed to our credit on entering confederation and the cost of the railway, which was built at that time in Prince Edward Island at a cost of $3,000,000, was charged up and deducted from the federal allowance on which we expected to receive interest from confederation on, the result being that we have lost the interest on that $3,000,000 ever since. The question has been brought up of the return of the railway lands in British Columbia to that province. We do not object to the return of those lands; but we say that if those lands are returned to British Columbia, it would be just as equitable to return that sum of $3,000,000 to the credit of Prince Edward Island, and to have the province receive the interest on that money from year to year.

There are many other claims that could be advanced but time will not permit me to take them up at the present time. No doubt those matters were fully dealt with by the Premier of Prince Edward Island at the interprovincial conference; but there is just one question to which I wish to refer, and that is the return of the natural resources to Alberta. We find that those natural resources are at the present time worth to that province more than $2,000,000. We admit that according to the statement that has been produced it costs about $2,000,000 to administer those resources. We also find that those resources in the last five years have increased in value by more than $1,000,000. The surface of the natural resources of Alberta has hardly been scratched, and as time goes on those resources will become more valuable as their development progresses. We trust that when the question of an adjustment of the subsidies to the different provinces is being dealt with, those matters which I have brought to the attention of the house will be given due consideration.

Hon. JOHN A. MACDONALD (Kings): Mr. Speaker, as this is but the second time I have attempted to make a speech in this house, I am rather afraid I have so much to say that I shall not have an opportunity of saying it within the forty minutes at my disposal.

I should like to devote a moment or two to the remarks of the hon. member for Prince (Mr. MacLean) who has just taken his seat. If a tariff is a hindrance to an increase in population, why has the hon. member so consistently supported a government which maintains a tariff? Further, in regard to his statements as to population increase and decrease in Prince Edward Island, he was very far at sea in stating that the decrease in population in that province commenced immediately after the national policy was adopted. That is not so. In the census of 1891 the population of Prince Edward Island reached its highest peak, and that was thirteen years after the national policy was adopted. Consequently his argument that the adoption of a protective tariff started a decrease in the population of Prince Edward Island was not correct. As a matter of fact the first decrease in the population of that province commenced in 1901, five years after the Laurier government took office, and the decrease, as shown by every census since that time, has continued steadily. So that his argument in that respect does not appear to have much weight.

As regards his argument that a tariff increases prices, I wonder how he reconciles that statement with the fact, examples of which we see every day, that the United States, the most highly protected country in the world, has on most of its products the lowest prices to be obtained anywhere, prices so low that they can ship their manufactured products into Canada in very large quantities and pay a tariff on them on the way in. As regards his argument in connection with bounties, I do not think he can claim that paying bounties to industry is any part of the Conservative policy.

In regard to seed potatoes and his correspondence with the tariff commission of the United States, he will find, as every other country finds and has always found, that the United States is not going to open its doors to competition with its own people. The United States takes care of its people, manufacturers, farmers and every other industry or person, and I think the hon. member for Prince will find that out before he finishes his correspondence with the tariff commission of the United States.

The hon. member for Provencher (Mr. Beaubien) spoke about the arguments from this side of the house being more or less arguments in favour of immigration for the

United States. That, of course, is simply an echo of the present Prime Minister (Mr. Mackenzie King), because his policy appears to be to hide the truth rather than to speak it, as though we could hide any fact from the world at large. I am not concerned with his attempt to justify his political career; but when he states that he would like to see the national railways run separately from the government, why does he not insist that the government should cease to guarantee the bonds of the national railways and thus have it really and truly separate?

The larger aspects of the budget have been fully discussed by many speakers and I rather feel like confining myself to its bearing locally in the maritime provinces, and particularly Prince Edward Island. We must, however, remember that a country like Canada, with its large expanse of territory, with its many diverse elements, must necessarily receive great consideration from many different standpoints, and the government must always be prepared to recognize and to adapt its policy to suit changing conditions. To-day we have large manufacturing industries in the central parts of Canada. Ten, fifteen or twenty years from now many similar industries may be established in western Canada, and when that day comes probably our western friends will have a somewhat different view of the policy of protection. To my mind we must always adopt a policy which will work the least possible hardship to any section and at the same time conserve the industries of the country. Without such a policy we cannot hope to be generally successful, and even if we have to make compromises here and there, we must accept those as being inevitable in Canada. I do not envy the job of the Minister of Finance (Mr. Robb) in endeavouring to reconcile all the different elements; but I do object to the financial conclusions at which he arrives, and it would be more to his credit if he made a really fair statement of our financial affairs and included all the liabilities. I do not intend to discuss the question of the national railway liabilities because it has been set forth so fully and so often already that it is not necessary for me to do so.

When we come to the taxation proposals, we find that after all very little relief has been given except to those with large incomes, and even there the relief is not very much. The reduction of one per cent in the sales tax will not mean much for the average man or woman or for the average farmer in our province. It will mean five or six cents on a pair of boots, twenty or thirty cents on a suit of clothes, and similar small reductions of that nature. That is all the benefit that Prince Edward Island will receive from these reductions in taxation. The Minister of Finance has always used reduction of taxation as a battle cry, as a means to furthering the political fortunes of his party. He advertised a twenty per cent reduction last year; he is advertsing a twenty-five per cent reduction this year. It is only one per cent in each case, and next year he will take another one per cent off, I presume, and advertise a thirty-three and one-third per cent reduction, take another one per cent off the following year and advertise a fifty per cent reduction, until finally when election time comes round he will be able to announce a reduction of one hundred per cent. In all the five years during which he is reducing the sales tax he will have reduced it by two hundred and twenty-eight per cent, and after he has reduced it two hundred and twenty-eight per cent in the five years it will be abolished. The forty-five per cent reduction he has made already has only brought the sales tax back to the point where it was when the present government took office. There is no doubt whatever in my mind that if reasonable economy in the administration of the finances of this country had been practised in the past two or three years the sales tax could have been fully abolished and we would not miss it in the revenues of this country. Sufficient economy could very well be practised to maintain the standing of our finances, to provide surpluses and to make a reduction of debt possible, even if the sales tax were abolished.

One of the questions to which the budget always refers is that of markets. If we are not able to adopt a policy that will build up the home market then we shall fail. There is not and never was a market that will be equal to the home market. That applies to every country. The home market is always there; you have it through good times and bad times, and regardless of world conditions. I am in favour of foreign markets so far as we can reach them, and let us go after them to the fullest possible extent, but in the foreign market you are always up against world competition, and years will come when that world competition will practically put you out of business in that market. But if you take care of the home market you have a stable outlet for your products from year to year, regardless of world conditions.

I was rather surprised at the statement of the hon. member for Queens (Mr. Sinclair) in

connection with the Australian trade treaty when, speaking a few days ago in this house, he said:

As an agriculturist in direct touch with this work of finding markets for our dairy products, I am in a position to state that the main result of the importations of Australian butter has simply been to put the speculator in Canadian dairy products out of business rather than to injure the farmer. To-day we have a ready market all the year round in Great Britain for our dairy products.

I wonder if he really gave serious consideration to that statement before he made it. He argues that the only thing to do with our butter is to export it to Great Britain. Now any person with a knowledge of the facts knows that in Canada our season of large and less expensive production is about six or seven months of the year, and during the remainder of the year, for five or six months, production is very much curtailed and the cost of production very much increased. What happens to-day under the Australian treaty is that we have to send our butter to Great Britain in the summer time, when prices are low. It is no using holding it until the winter season when it might command a better price because at that season the cheap butter of Australia and New Zealand, produced under summer conditions, is coming into this country, and we have no market for our butter in Canada. When it is remembered that the home market in Canada will take care of almost our whole butter production if we shut out importations, the fallacy of the argument of the hon. member for Queens will at once be seen.

But the Australian treaty goes further in its effects. It practically prevents winter dairying. Due to the high cost of production in winter, it is not profitable to the farmer because again the cheap butter of Australia and New Zealand, produced under summer conditions, is coming in and undersells our butter. There is no way of meeting this situation fairly to the farmer except by imposing a duty that will protect him, and he should be protected just as much as the manufacturer. Protection would put him on a fair basis. In this connection I should like to quote a statement made by one of the officers of the federal Department of Agriculture in Charlottetown a short time ago in which he distinctly disagrees with the statement of the hon. member for Queens. In a public statement issued at Charlottetown he says:

At the present time, our markets have received quite a setback, owing to so much New Zealand butter being dumped into Canada. Up to November 1st, 100,000 boxes of New Zealand butter was exported to Canada, and one boat in November delivered 34,000 boxes in Halifax.

New Zealand and Australia are producing under summer conditions, and are bonused to the extent of six cents a pound. So you see why we cannot compete with that trade, and make a profit with our type of cow.

That statement was issued by an officer of the Department of Agriculture, and I venture to say that the Minister of Agriculture (Mr. Motherwell) agrees with him, although he does not appear to be making any effort to meet that situation.

Mr. SINCLAIR (Queens): Does the hon. member agree with the statement made in this house a few nights ago by the ex-Minister of Agriculture, the hon. member for Victoria (Mr. Tolmie), when he admitted that the Australian treaty did not decrease the price of butter to our dairymen?

Mr. MACDONALD (Kings): I am quoting the statement of an officer of the federal Department of Agriculture. I am not discussing any statements made elsewhere. I did not hear the statement to which the hon. member refers.

Mr. BENNETT: Neither did I.

Mr. MACDONALD (Kings): Further in connection with this matter, I have here the history of a carload of choice No. 1 pasteurized creamery butter shipped from Prince Edward Island in the summer of 1926 and sold in London. On account of its choice quality it brought a higher price than the regular quotations there—one shilling and six pence above the current English quotation. Yet while it brought a fancy price, the net result to the shippers from Prince Edward Island was 28¾ cents a pound, while practically the lowest price, the less than average price, quoted in Prince Edward Island for butter during that season was 32 cents a pound. That will show the disadvantage of being obliged to ship our butter to the British market during the summer time. If it could be held over for later consumption in Canada you would get the benefit of the higher price.

The hon. member for Queens also dealt with the question of implementing the Duncan report. He made remarks in that connection with which I cannot agree, and which I cannot let pass unchallenged. As the hon. member knows, I am not criticizing him personally; I am criticizing his statement. He stated:

I think it is fair to say that on the whole the government have gone as far as it is possible for them to go in implementing the recommendations of the Duncan commission.

Now, Mr. Speaker, that is an attempt to bolster up the case of the government with an

argument that cannot succeed. He referred particularly to the improved facilities offered by the Prince Edward Island Railway and the ferry service. I do not wish to criticize the government unreservedly in this connection, for I appreciate what has been done and, as the hon. member for Prince (Mr. MacLean) said this evening, some of the recommendations that have been carried out have been a great benefit to us. But even in discussing the question of subsidies, we find that although the recommendation of the commission was in the hands of the government in September 1926, no subsidy was paid until late in 1927, and then only for the half year. The government should at least have paid a full year's subsidy. As I say, we do not wish to condemn the government unreservedly, but we cannot give them our full approval and accept what they have so far given us as completely implementing the Duncan report.

In connection with transportation the Duncan report has this to say:

> The railway administration admitted that there was substantial foundation for much of the complaint we heard in Prince Edward Island with regard to the railway service there. It appears that in view of the character of the roadbed and the succession of heavy curves and heavy grades the difficulties which railway operations incur, and the inconvenience which the public suffers, cannot be quickly and substantially lessened without a measure of capital expenditure.

What has happened in relation to that recommendation? Absolutely nothing, Mr. Speaker. It is in exactly the same position to-day as it was two years ago when the report was made. To give the house some idea of the handicaps that we have had to overcome, I may say that only last November and December on the section of the road from Georgetown to Mount Stewart we were limited to ninety thousand pounds on any carload of freight. That was not too bad while we were using box cars, but the moment frosty weather set in and we were obliged to use refrigerator cars of sixty thousand pounds tare, it meant that we could load only thirty thousand pounds, or ten thousand pounds under the minimum capacity. But to make matters worse, we were charged freight on the forty thousand pounds minimum loading. Now does the hon. member declare in view of such a condition that that recommendation of the Duncan report has been implemented in full? I submit, Sir, that his statement can not be justified. That is only one sample of the handicaps that result from the failure of the government to fully carry out the recommendations of the Duncan commission. Next let me take the case of the Murray Harbour railway, a stretch of narrow gauge line running partly through the hon. member's county and partly through mine. Nearly two years after the Duncan report no effort has been made to convert that railway to standard gauge.

Then take the car ferry service. The Duncan report recommends that:

> The railway administration should be asked to make a survey of what is required in this connection, and that the department should make capital provision for the improvements to be undertaken within the shortest possible time.

Two sets of estimates have been placed before this house since the Duncan report was in the hands of the government, but no provision has been made to take care of that work, which, it will be noted, was recommended "to be undertaken within the shortest possible time." The member for Prince sincerely hopes that something may be done in regard to it in the near future. But I think he and the hon. member for Queens should do a little more than "sincerely hope", because early action in regard to these matters is of great importance to Prince Edward Island as a whole.

Mr. SINCLAIR (Queens): Is not my hon. friend aware that the survey to which he refers was made during the past season?

Mr. MACDONALD (Kings): You can go on making surveys indefinitely for years to come. No survey was required in this case; the whole condition was well known to the railway authorities and the government.

Mr. SINCLAIR (Queens): What is the recommendation in the report?

Mr. MACDONALD (Kings): That is the recommendation:

> Altogether the ferry boat service is unsatisfactory. The railway administration admitted that there was need for supplemental provision being made in the form either of a second ferry boat or a special freight boat. We recommend that the matter be gone into from the point of view of placing at the disposal of the island such satisfactory means of communication as will ensure as regular and complete a service as can reasonably be made. We further recommend that, so far as the ferry boat service is concerned, it should not be run as part of the railway operations, but should be run by the railway administration under separate account for the department. We feel that, by reason of its association with railway accounts, this service does not get the attention it should receive.

Now, has that been done? Would a survey be required to change the accounting system of the car ferry? I ask that question of the hon. gentleman. Has anything been done to meet the demands of the province for a second car ferry, which is very much needed? It is

needed from the standpoint of traffic at the present time. I was not able to get the figures for the past year but I can give the house the figures for 1925 and 1926 of the total number of outward and inward cars:

	Outward	Inward	Total
1926..	12,972	13,001	25,973
1925..	9,960	9,671	19,631

It will be observed that the increase in 1926 amounted to 6,342 cars. Everyone who knows anything about the conditions there is aware that the ferry boat was operated to its maximum capacity in the fall of 1926. Taking last year, we know that the number of cars moved was considerably larger than for the preceding year. So that the necessity really exists for a better service, and yet nothing whatever has been done. In the summer season the ferry service is taxed to its utmost. Of course the boat must be put in dry dock every year. On these occasions the old boat from Hawkesbury is taken over, but it is entirely inadequate for the service. The element of danger is always present, and an accident to the ferry would isolate the island completely and might have very serious consequences. This is a matter of much more importance than when we had a steamboat service to the mainland twenty years ago, because then the people provided in the fall for their winter requirements and laid in enough supplies to carry them through the long period of disconnected traffic. We are not doing that to-day, for we are depending on the car ferry, and consequently we would be in a very serious condition indeed if an accident happened and the service were interrputed in the winter time. The hon. member for Prince has been asking for branch line railways in the province, but I say, let us first finish the lines which were started twenty or thirty years ago; let us change from narrow to standard gauge before talking about branch lines.

With regard to operating accounts, it should be remembered that this is an interprovincial matter and that the accounts for the car ferry should not be charged to the operating service of the Prince Edward Island section. It is not fair, and in regard to this matter the government has a precedent established a good many years ago. The terms of the union provided that we should have a continuous, efficient steam connection. Is a service which was good enough even fifteen years ago efficient to-day? Under the changed conditions it is not, because traffic has increased to such an extent that additions are necessary all the time. I need hardly refer to the fact that for forty-five years, as regards connection by transportation between Prince Edward Island and the mainland, the bond of Canada remained broken and disregarded until the Borden government provided the present facilities which became operative about ten years ago or so. This broken bond of Canada was largely the cause of our loss of population. But it was not only population that we lost; we lost whatever industries we had, and we lost revenue also to a large extent. In fact, our losses are well nigh incalculable.

Now, it is incumbent upon the government to maintain not only the present system established by the Borden government several years ago but to maintain it in such a manner that it will adequately handle the traffic offering. Failure to do this will constitute a failure to keep the bond of this Dominion with the little province of Prince Edward Island. It must not be forgotten that as a province we have rights and a status which the government should recognize and respect. I was going to say a moment ago that a precedent was established for changing the accounting system here, when the cable service between Prince Edward Island and the mainland was taken over by the government and operated, the entire cost charged to the government, and no delay being necessitated in connection with the telegraph service with the mainland. This placed us on an equal footing, as respects telegraph communication, with Pictou or Cumberland county or any other point on the mainland. The government should seriously consider carrying out that recommendation and placing the accounts in connection with the car ferry in the railway department instead of under the Canadian National Railways. As suggested in the Duncan report, Prince Edward Island would probably obtain greater consideration and a better operation on the part of the Canadian National Railways if this were done. If the straits were a mile, three-quarters of a mile or half a mile wide instead of eight or nine miles, the Dominion would have built a bridge and there would be no heavy charge for maintenance.

Another matter which I brought up last year when the estimates were being considered is the establishment of an air service at the capes, so that when the boat is tied up passengers and mails at least may be carried across without being subjected to delays of hours or even days, as is sometimes the case to-day.

Mr. VENIOT: You have that now.

Mr. MACDONALD (Kings): From Moncton to Charlottetown once a week, on Saturday evenings. But we want to get across oftener than that.

Mr. VENIOT: The object is to have the mails carried over on Saturday so that the people may not have to wait until Tuesday before having them distributed.

Mr. MACDONALD (Kings): I understand that, and it is a move in the right direction.

Mr. VENIOT: Why not give credit for it?

Mr. MACDONALD (Kings): I am willing to give the Postmaster General all the credit he cares to take for it, but I am advocating something better. The present arrangement is not sufficiently satisfactory. I want to see established an air service at the capes which will be always ready to transport mails and passengers when the ferry is tied up.

Mr. VENIOT: Mails and passengers?

Mr. MACDONALD (Kings): Mails and passengers, yes. It would be a comparatively cheap service; it is only a few miles.

Mr. ROBB: Free passes.

Mr. MACDONALD (Kings): No, we do not want free passes; what we want is service. The Minister of Finance may smile as much as he likes, but this is a serious matter with us.

Mr. VENIOT: You are getting a service now which is not costing anyone a cent. It is perfectly free, paid for by the government.

Mr. MACDONALD (Kings): Who else would pay for it?

Mr. VENIOT: The persons who receive the mails by this means should pay extra. It is done everywhere else, but we do not get a cent from the people of Prince Edward Island.

Mr. BENNETT: It is only a substitute mail.

Mr. VENIOT: It is a service Charlottetown asked for.

Mr. MACDONALD (Kings): We know very little about it because as a matter of fact it started only last week.

Mr. VENIOT: That is right. They asked for it last week and they received it within forty-eight hours of the request.

Mr. MACDONALD (Kings): I hope the Postmaster General will be as prompt in giving the full service we now ask for.

Mr. VENIOT: If the requirements demand it you will get it.

Mr. MACDONALD (Kings): I wish now to refer to the question of the subsidies paid in connection with the steamboat service between the mainland and the province. For steamboat communication between Charlottetown and Pictou $35,000 is paid. I have no objection to this, but there is another service for which a subsidy had been voted for upwards of forty years and which was dropped last year for the first time. This is an important service, much more needed than that between Charlottetown and Pictou, and yet not a dollar is being voted for it. It is highly important for this reason, that there are a number of places such as Murray Harbour, Lower Montague, Newport and several other points which are a long distance from any railway, some of them fifteen and sixteen miles away. Heretofore there has always been a service connecting these points with the mainland, but the vote was dropped a year ago. Yet last year $10,000 was added to the Charlottetown service which, I say, is not nearly so important. I plead with the government to re-establish the communication between the eastern part of the province and the mainland and to grant a small subsidy for it.

I wish now to discuss for a moment or two the West Indies trade agreement. I had intended reading an article from the Maritime Merchant, a non-political trade journal published in Halifax. The article is devoted to a consideration of this question, but in view of the fact that my time is about up I will not read it. A large amount of money will be expended under this arrangement for which those who have some knowledge of business conditions do not feel that we are likely to get any adequate return. Not only that; we shall probably suffer in the maritime provinces by reason of Cuba's attitude towards Canada in this matter. There will be a considerable expenditure on steamers to carry on the service, and yet the only place in the West Indies where we might secure trade, that is, Cuba, will be closed to us for the reason that under the trade agreement the steamers are not allowed to call at Havana or any other port in that island. We have a very large trade with Cuba, which takes about 3,000,000 bushels of potatoes a year from New Brunswick and Prince Edward Island, and we should like to retain that trade. There is a difficulty, however; we cannot directly say that it is on account of the trade agreement with the British West Indies, but the inference is that that has something to do with the fact that Cuba has put a very heavy duty on our potatoes. It is supposed that this was done in retaliation for the preference granted the British West Indies on sugar. Last year the duty was advanced from 65

cents per hundred kilos to $2 per hundred kilos, or almost a cent a pound, which is a very heavy duty indeed.

Just in passing I should like to refer to some newspaper reports which appeared last year, and which so far as I can judge are nothing but propaganda in favour of this government. These newspaper reports, which were sent out by the Associated Press, stated that the government had taken action and had succeeded in getting some reduction of this duty against our potatoes. Such a thing never happened; I do not know whether or not any action was taken, but certainly no results were obtained; the rate remains at $2 per hundred kilos. We are suffering severely on that account, because this offers an encouragement to the Cubans to grow their own potatoes. Instead of planting small quantities last fall they planted very large quantities and spread the planting season from the middle of October until well on in December. The result is that they will have their own potatoes all through February and March, with a later crop in April, which will shut out our potatoes. The ostensible reason for increasing this duty is of course the protection of their own farmers. That is a very laudable object, but it is generally conceded by those who know something of conditions down there that the duty was at least partly inspired as a means of retaliation against Canada for the preference given the British West Indies on sugar.

On motion of Mr. Matthews the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.35 p.m.

Monday, February 27, 1928

The house met at three o'clock.

PENSIONS AND SOLDIER PROBLEMS

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

On motion of Mr. C. G. Power (Quebec South) the second report of the special committee on pensions and returned soldiers' problems was concurred in.

TARIFF ADVISORY BOARD

STENOGRAPHIC REPORTS OF EVIDENCE

Hon. J. A. ROBB (Minister of Finance): On Friday last the leader of the opposition (Mr. Bennett) asked that the stenographic reports of the public hearings before the tariff advisory board during the year 1927 be laid on the table, together with the general report of the chairman of that board. The various stenographic reports as received from the board are now tabled, save the report on cottons which was tabled on Monday, February 13, at the request of the hon. member for East Calgary (Mr. Adshead).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

REVELSTOKE—GOLDEN ROAD SURVEY

Mr. ESLING:

1. Did the federal government or any department thereof, enter into any agreement with the government of British Columbia, during the year 1927, for the survey of the road between Revelstoke and Golden in British Columbia?
2. If not, has an agreement for such a survey in the present year been arranged for?

Mr. STEWART (Edmonton): The subject is under discussion.

ABBOTSFORD, B.C. LIQUOR SEIZURE

Mr. BARBER:

1. Was a seizure made at Abbotsford, British Columbia, on November 24, 1927, of a freight car supposed to contain liquor?
2. If so, by whom?
3. To whom was it billed, and where?
4. Who was the shipper?
5. What did the car contain?
6. What quantity of liquor, if any, was found in said car?
7. If the car contained liquor, what was its final disposition?
8. Was the liquor sold, and, if so, what amount was realized?
9. What amount was due the seizing officer or officers?
10. What amount, if any, has been paid the seizing officer or officers?
11. Have customs officers at border power to seize cars containing liquor billed as another commodity, without export papers, and consigned to the United States?
12. Has inspector at Vancouver advised customs officers to keep hands off such shipments?

Mr. EULER:

1. Liquor contents seized but not the car.
2. S. J. Bates, senior customs excise examiner and G. E. Leary, customs excise examiner.
3. Shipment billed as shingles consigned to Samuel Cabot, Inc., Fort Wayne, Ind.
4. Export shipping bills not on file. No information.
5. Liquor and shingles.
6. 360 cases containing 693 proof gallons whiskey.
7. Liquor has been forfeited to the crown but not yet disposed of.
8. Answered by 7.
9. Cannot be determined until liquor disposed of.
10. Nil.
11. Yes.
12. No.

CANADIAN NATIONAL RAILWAYS—ROUNDHOUSES

Mr. WOODSWORTH:

1. What is the number of stalls, their length, and the approximate value of the roundhouse of the Canadian National Railways at the Neebing terminal, Fort William, and at Sioux Lookout, Ontario?
2. What was the cost of these structures?
3. Does this value include the heating boilers used in connection with the plant?

Mr. DUNNING:

1. 24 stalls—22 are 99 feet 9 inches long, and two are 129 feet 3 inches long, costing $181,956.61.

2. Roundhouse, $181,956.61; Machine shop, $23,278.41 (94 feet 9 inches by 51 feet); Boiler room, $38,126.42 (60 feet by 39 feet, 7 inches), including equipment.

3. Yes; boiler room and machine shop adjoin engine house.

CUSTOMS DRAWBACKS

Mr. SMOKE:

1. In the budget statement made by the Minister of Finance does he include, as customs duty, the amounts paid for drawbacks?
2. What sums were paid for customs drawbacks in (a) the fiscal year ending 31st March, 1927; (b) from the 1st April, 1927, to the 31st January, 1928?

Mr. ROBB:

1. No; the figure mentioned represented the estimated net receipts from customs duties for the year.

2. (a) $14,639,450.94; (b) $10,536,155.39.

MR. A. GEMMELL

Mr. WILSON (Wentworth):

1. Is Mr. A. Gemmell, of North Battleford, Saskatchewan, employed by the Department of Agriculture?
2. If so, what position does he hold?
3. What salary is attached to the position?
4. Was the appointment made by patronage, or by the Civil Service Commission?

Mr. MOTHERWELL:

1. No.

2 and 3. Answered by No. 1.

4. Mr. A. Gemmell was appointed by the Civil Service Commission to a temporary position as egg inspector at North Battleford, with effect from April 18, 1927, and continued in employment till January 23, 1928, when his services terminated.

CAP-ST-IGNACE POSTMASTER

Mr. CAHAN:

1. Who is the postmaster at Cap-St-Ignace, county of Montmagny, Quebec?
2. When was he appointed and on whose recommendation?
3. Did any returned soldier apply for the position?
4. And if so, why did he not receive the appointment?

Mr. VENIOT:

1. Joseph Mathieu, O.A.S.

2. 15th August, 1927—by Civil Service Commission.

3. Yes.

4. Present postmaster is a returned soldier.

DISMISSAL OF POSTMASTERS

Mr. BRADY:

1. How many postmasters were dismissed throughout Canada from October 1, 1926, to February 1, 1928?
2. During above period, how many of those postmasters were dismissed in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, and Prince Edward Island?

Mr. VENIOT:

1. 421.

2. British Columbia	7
Alberta	9
Saskatchewan	34
Manitoba	11
Ontario	32
Quebec	122
Nova Scotia	106
New Brunswick	99
Prince Edward Island	1
	421

METALLURGIC PRODUCTION IN CANADA

Mr. PREVOST:

What was the metallurgic production in Canada, in 1921 and 1927, respectively?

Mr. MALCOLM:

Metallic mineral output of Canada: 1921, $49,343,232; 1927 (estimated), $112,238,100.

MR. VALERE LABONTÉ

Mr. CAHAN:

1. Was Valere Labonté, of St. Joseph de la Beauce, Quebec, formerly employed as a preventive officer of the customs branch of the Department of National Revenue?
2. When and on what grounds was he dismissed from his employment?
3. Were three separate criminal informations laid against said Labonté before Arthur Godbout, a magistrate of the District of Beauce, Quebec, by Pamphile A. Martineau, an investigating officer of the said department, or of the government, in November last?
4. Were the said three criminal charges ever prosecuted by the government?
5. Were the said criminal charges withdrawn by the government ?
6. If the government either refrained from prosecuting or withdrew said charges, what were the grounds of the government's action in so doing?

Mr. EULER:

1. Yes.

2. Dismissed October 9th, 1927, for irregularities in connection with his expense accounts.

3. Four separate charges were sworn before the district magistrate.

4. No.

5. No.

6. Prosecution held in abeyance pending securing of further information. In two cases statements upon which charges were based were withdrawn by the complainants

Mr. GOTT:

1. Who is the excise officer at St. Joseph, Beauce?

2. On whose recommendation was he appointed?

3. Who was his predecessor?

4. Was he dismissed?

5. If so for what reason and on whose recommendation?

Mr. EULER:

1. J. Edward LeMay.

2. On the recommendation of F. W. Cowan, chief, preventive service.

3. Mr. Valere Labonté.

4. Yes.

5. For irregularities in connection with his expense accounts.

SLAUGHTER OF CATTLE

Mr. GARLAND (Bow River):

1. How many head of cattle have been slaughtered under the restricted area plan in each of the provinces of Canada?

2. What is the total area now free from tuberculosis in each province as a result of the operation of plan?

3. What was total amount of money paid to owners of slaughtered cattle in each province?

Mr. MOTHERWELL:

1. As recorded to February 1, 1928:

	Number of cattle
Prince Edward Island	582
Nova Scotia	806
New Brunswick	20
Quebec	8,570
Ontario	540
Manitoba	1,680
Saskatchewan	203
Alberta	Nil
British Columbia	5,069

2. No area has had tuberculosis absolutely eradicated. The following figures show the percentage of animals reacting to the initial test in each area and to the last annual test, where an annual test has been made.

Area Number One, Manitoba:

Thirty townships in the rural municipalities of Dufferin, Rolland, Thompson and Gray. 1,080 square miles.

Initial test, February 1st, 1923, percentage reactors, 5.7; last annual test, November 1st, 1926, percentage reactors, .4.

Area Number Two, Quebec:

Counties of Beauharnois, Chateauguay and Huntingdon, 773 square miles.

Initial test, October 23, 1924, percentage reactors, 7.9.

Last annual test, October 1, 1926, percentage reactors, .8.

Area Number Two "A", Quebec:

Counties of Vercheres, Chambly, Laprairie, Napierville, St. John and part of Richelieu.

Initial test, April 28, 1927, percentage reactors, 5.9.

Area Number Three, Prince Edward Island:

The entire province, 2,184 square miles.

Initial test, August 13, 1925, percentage reactors, .59.

Area Number Four, British Columbia:

5,600 square miles in the Fraser river valley.

Initial test, February 23, 1926, percentage reactors, 7.9.

Last annual test, March 1, 1927, percentage reactors, 1.1.

Area Number Five, Saskatchewan:

The rural municipalities of Longlaketon, McKillop, Millington, Last Mountain Valley, Mount Hope and Wreford in the Last Mountain district. 1,782 square miles.

Initial test, June 15, 1926, percentage reactors, .8.

Area Number Six, New Brunswick:

The parishes of Manners, Sutton and Flume Ridge in Charlotte county.

Initial test, March 10, 1927, percentage reactors, .76.

Area Number Seven, Ontario:

The county of Prince Edward and that part of Murray township in the county of Northumberland, which lies south of the Murray canal and adjacent to the county of Prince Edward.

Initial test, May 12, 1927, percentage reactors, 2.1.

Area Number Eight, Nova Scotia:

The counties of Antigonish, Colcester, Cumberland, Guysboro, Pictou and Yarmouth.

Initial test, September 8, 1927, percentage reactors (as at February 1, 1928), 1.68.

3. As recorded to February 1, 1928.

	Compensation paid
Prince Edward Island	$ 14,955 92
Nova Scotia	26,016 20
New Brunswick	513 33
Quebec	284,146 05
Ontario	19,990 73
Manitoba	55,667 80
Saskatchewan	5,826 60
Alberta	nil
British Columbia	180,703 16

COPPER AND HEMP BOUNTIES

Mr. WHITE (Mount Royal):

1. When were bounties first provided for on the production of copper bars and hemp twine in Canada?

2. Where are the factories located for the production of these commodities and what was the amount paid in bounties on such production in 1925, 1926 and 1927?

Mr. MALCOLM:

1. The bounty on the production of copper bars dates from May 12, 1923. The bounty on hemp twine dates from January 1, 1926.

2. Bounty on copper bars or rods—Consolidated Mining & Smelting Co., Trail, B.C.: Paid, 1925-26, $14,822.67; 1926-27, $164,242.30; 1927-28 to February 4, $73,604.92.

Bounty on hemp—Doon Twines Ltd., Kitchener, Ont.: 1927-28 to February 1, $285.72; Consumers Cordage Co., Ltd., 283 St. Patrick street, Montreal: 1927-28 to February 1, $74.18; Manitoba Cordage Co., Ltd., Portage La Prairie, Man.: 1927-28 to February 20, $1,025.92.

TRADE OF MARITIME PROVINCES

Mr. MacLAREN:

Has the government available such a system of statistics as will show a comprehensive measurement of the trade of the maritime provinces with other provinces and with foreign markets?

Mr. MALCOLM: No.

FRUITS AND VEGETABLES

Mr. FRASER:

1. What quantity and value of beans were imported into Canada in the fiscal years ending March 31, 1926 and 1927?

2. From what countries were these beans imported and what quantities from each?

3. What rate of duty was imposed on these importations, and, if various rates, specify each?

4. What is the rate of duty on fresh fruits and vegetables imported into this country: (a) from the United States; and (b) from other countries?

Mr. EULER:

1 and 2.

Statement of Imports by Countries of Beans: N.O.P.: Entered for Consumption in Canada During the Fiscal Years ended March 31, 1926 and 1927

Country	Fiscal year 1926 Bush.	Fiscal year 1926 Value	Fiscal year 1927 Bush.	Fiscal year 1927 Value
Great Britain	11,633	$ 38,330	47,863	$ 87,395
Hong Kong	5,272	11,980	4,474	8,459
Newfoundland	11	62	—	—
Austria	980	1,638	1,335	2,035
Belgium	49,357	93,741	287,020	516,341
Chile	1,705	8,169	815	3,987
China	124	293	460	919
France	1,064	2,179	29,934	55,709
Madagascar	201	1,114	—	—
Germany	550	1,500	7,359	12,309
Hungary	2,956	5,181	38,254	58,665
Italy	2,457	6,519	10,298	17,532
Japan	52,747	106,254	94,126	147,311
Netherlands	2	10	651	1,873
Roumania	600	1,140	12,594	23,256
Syria	—	—	22	279
United States	16,746	83,954	60,719	190,906
Totals	146,405	$362,064	595,924	$1,126,976

3.

Rates of Duty Imposed on Importations of Beans: N.O.P.: From Countries Specified

Country	Cents per bushel	Cents per bushel	Cents per bushel
Great Britain	15	22½	25
Hong Kong	—	—	25
Newfoundland	—	—	25
Austria	—	—	25
Belgium	—	22½	25
Chile	—	—	25
China	—	—	25
France	—	22½	25
Madagascar	—	22½	25
Germany	—	—	25
Hungary	—	—	25
Italy	—	22½	25
Japan	—	22½	25
Netherlands	—	22½	25
Roumania	—	—	25
Syria	—	—	25
United States	—	—	25

4. The general tariff rates apply to importations from the United States.

The British preferential tariff rates apply to importations from Great Britain and other preferential tariff countries, when imported in accordance with the British preferential tariff regulations.

The intermediate tariff rates apply to importations from France and other favoured nation countries, when imported in accordance with the French treaty regulations.

Fresh fruits and vegetables are rated under the tariff items below:

		British preferential tariff	Intermediate tariff	General tariff
83	Potatoes, n.o.p., and potatoes dried, desiccated or otherwise prepared, n.o.p.	Free	Free	Free
83a	Potatoes when imported from a country which imposes a customs duty on potatoes grown in Canada, per one hundred pounds	20 cents	35 cents	35 cents
85	Tomatoes, fresh	20 p.c.	27½ p.c.	30 p.c.
87	Vegetables, n.o.p.	15 p.c.	27½ p.c.	30 p.c.
87a	Onions in their natural state	Free	30 p.c.	30 p.c.
90	Fruits, viz.:—plantains, pineapples, pomegranates, guavas, mangoes, wild blueberries, wild strawberries and wild raspberries	Free	Free	Free
90a	Wild edible berries, n.o.p.	Free	Free	Free
90b	Bananas	Free	Free	Free
92	Apples, per barrel	60 cents	90 cents	90 cents
95	Blackberries, gooseberries, raspberries, strawberries, cherries and currants, n.o.p.; the weight of the packages to be included in the weight for duty, per pound	1½ cents	1¾ cents	2 cents
96	Cranberries, and fruits, n.o.p.	17½ p.c.	22½ p.c.	25 p.c.
97	Pears, quinces, apricots and nectarines, n.o.p., per one hundred pounds	35 cents	45 cents	50 cents
97a	Plums, per bushel	20 cents	20 cents	30 cents
98	Melons, each	2 cents	2½ cents	3 cents
100	Grapes, per pound	1½ cents	1¾ cents	2 cents
101	Oranges and lemons	Free	Free	Free
101a	Shaddocks or grapefruit, n.o.p., per one hundred pounds	50 cents	$1.00	$1.00
101aa	Shaddocks or grapefruit, when imported from the place of growth, by ship, direct to a Canadian port, per one hundred pounds	Free	50 cents	$1.00
101b	Limes	Free	15 p.c.	15 p.c.
102	Peaches, n.o.p., by weight of the package to be included in the weight for duty, per one hundred pounds	67 cents	90 cents	$1.00

LAFLECHE, SASK., POSTMASTER

Mr. ERNST:

1. Who is postmaster at Laflêche, Saskatchewan?
2. When was he appointed?
3. Whom did he succeed?
4. Was his predecessor dismissed, and if so, why, and on whose recommendation?

[Mr. Euler.]

Mr. VENIOT:

1. Edmond Hector Bilodeau.
2. Temporarily appointed May 5th, 1927. Permanently appointed February 20th, 1928.
3. John C. McAdam.
4. Yes—for political partisanship—on recommendation of member for constituency.

ANYOX-ALICE ARM MAIL CONTRACT

Mr. BRADY:

1. Who holds the mail contract between Anyox, Alice Arm, and way points?
2. When does the contract expire?
3. What is the frequency of service?
4. What amount, annually, does mail contractor receive for his service?
5. Is the department aware that the mail service between points mentioned above has been discontinued since February 1, 1928?
6. If so, was this service discontinued with the knowledge and consent of the department?
7. What is the reason for the suspension?
8. When will this mail service be re-established?

Mr. VENIOT:

1. H. F. Kergin and H. R. Fowler.
2. Temporary arrangement.
3. Three trips per week.
4. $1,200.

5, 6, 7, and 8. Contractors' boat laid up for repairs 1st February. However, prompt action was taken to authorize a temporary weekly service at $25 per trip, the most reasonable offer obtainable and information on file shows that the temporary service commenced on the 9th February. The regular service will be re-established upon completion of repairs to the contractors' boat. It is reported it will take from six to eight weeks to complete these repairs.

SAWYERVILLE, QUE., POSTMASTER

Mr. HANSON:

1. Who is the postmaster at Sawyerville, Quebec?
2. When was he appointed and on whose recommendation?
3. Prior to his appointment who was postmaster at Sawyerville?
4. Was he dismissed?
5. If so, why, and on whose recommendation?

Mr. VENIOT:

1. John Smith Gilman.
2. December 20th, 1927, by the Civil Service Commission.
3. W. E. Marshall.
4. Yes.
5. By Postmaster General in interests of public service.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HUDSON BAY EXPEDITIONS—PURCHASE OF SUPPLIES

Mr. QUINN:

1. Who was the federal government purchasing agent in Halifax during the year 1927?
2. Did said purchasing agent purchase supplies for the Hudson bay and Hudson straits expedition of that year?
3. What quantities of American anthracite and bituminous coal were purchased for these expeditions, from whom and at what price?
4. What quantity of potatoes was purchased for these expeditions, for what departments, what was the price paid, what quantity was American potatoes, and what quantity was Canadian potatoes?

MAIL CARRIER ROUTES, NOVA SCOTIA

Mr. SMITH (Cumberland):

1. How many mail carrier routes are now maintained in the county of Cumberland, Nova Scotia?
2. What points do these cover?
3. What is the mileage of each?
4. What is the remuneration paid for each route?
5. What is the name of the contractor?
6. When does the present contract cease in each case?
7. What is the average cost per mile for these routes where one-horse conveyance is used?

UNOPPOSED MOTIONS FOR PAPERS

CHIEF CUSTOMS PREVENTIVE OFFICER, ALBERTA

Mr. GARLAND (Bow River):

For a copy of all correspondence, telegrams, and all other communications between the government, any department of the government, or any minister or official of the government, and any other persons, respecting the appointment of Sergeant Forbes, of Calgary, Alberta, to the position of chief customs preventive officer for Alberta.

AUSTRALIAN TRADE TREATY

Mr. PRESTON (for Mr. Stewart, Leeds):

For a copy of all letters, telegrams, resolutions, petitions or other communications, between individuals, associations, companies, or organizations, and any department of the government of Canada, relating to the alleged injurious effects of the operation of the Australian trade treaty upon the interests of agriculture or dairying in Canada.

JOLIETTE POSTMASTER

Mr. McQUARRIE (for Mr. Cahan):

For a copy of all documents and correspondence on file in the Post Office department concerning the appointment of a postmaster at Joliette, Quebec, including any and all complaints received by said department against the present acting postmaster.

ST. PAUL DU BUTON POSTMASTER

Mr. McQUARRIE (for Mr. Cahan):

For a copy of all documents, including the correspondence on file 117 the Post Office department, relating to or concerning the appointment of a postmaster at St. Paul du Buton, county of Montmagny, Quebec.

CAP ST. IGNACE POSTMASTER

Mr. McQUARRIE (for Mr. Cahan):

For a copy of all documents, including the correspondence on file in the Post Office department, relating to or concerning the appointment of a postmaster at Cap St. Ignace, county of Montmagny, Quebec.

UNEMPLOYMENT INSURANCE FUND

Mr. BRADY:

For a copy of all correspondence, telegrams or any other communications between the government and the Prince Rupert trades and labour council or any other trades and labour councils in Canada, regarding the creation of a state unemployment insurance fund.

CAMP HILL HOSPITAL, HALIFAX

Mr. QUINN:

For a copy of all letters, telegrams, memoranda, contracts, and all other documents which have been prepared or which have passed between various ministers, and between departmental officers, and between these and all firms, or corporations, and any person or persons, in reference to the purchase of fuel by the Department of Soldiers' Civil Re-establishment for use in Camp Hill Hospital, Halifax, Nova Scotia, for the winter season of 1927-1928.

TARIFF ADVISORY BOARD

PRINTING OF EVIDENCE

On the orders of the day:

Mr. J. L. BROWN (Lisgar): Might I ask if it is the intention of the government to have the verbatim reports of the evidence taken before the tariff advisory board printed for the use of members of this house?

Hon. J. A. ROBB (Minister of Finance): The reports are now tabled and they are the property of the House of Commons. There is no money voted in the department to pay for the printing.

MONEY POINT, N.S., LIGHTHOUSE

On the orders of the day:

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): I wish to ask the Minister of Public Works (Mr. Elliott) if it is the intention of the government to discontinue telephone communication between the lighthouse and fog alarm at Money Point, and Bay St. Lawrence? I have received a communication to-day informing me that the line is now out of repair and that it is not intended to establish communication again, and this is a very serious condition of affairs. Money Point lighthouse is the most northeasterly point of Nova Scotia, and the only means of communication at present is through a farm house four and a half miles away.

Hon. J. C. ELLIOTT (Minister of Public Works): I do not recollect having received any information in this regard within the last two or three days, but I shall be very glad to inquire into the matter and will endeavour to give my hon. friend an answer within a day or so.

[Mr. McQuarrie.]

REPRESENTATION OF NOVA SCOTIA

On the orders of the day:

Mr. ROBERT K. SMITH (Cumberland): I wish to ask the Prime Minister what steps, if any, have been taken to give the province of Nova Scotia its full representation in the House of Commons as provided for under the terms of the British North America Act and which, according to the population of Quebec, excluding Abitibi, at the last Dominion census, entitles us to fifteen members while we are allotted only fourteen members under the last Redistribution Act?

Right Hon. W. L. MACKENZIE KING (Prime Minister): If my hon. friend will place the question on the order paper he will receive an answer in due course.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. M. N. CAMPBELL (Mackenzie): I would ask the Postmaster General when I may expect to receive the papers asked for by orders passed by this house on February 13th and February 15th?

Hon. P. J. VENIOT (Postmaster General): Almost the entire staff of the department are working on the returns that were asked for, and just as soon as they are ready they will be brought down.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed, from Friday, February 24, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. R. C. MATTHEWS (Toronto East Centre): Mr. Speaker, in the short time at my disposal I propose to make a few comments on some aspects of the budget as I see it. Other hon. gentlemen much more competent than I have discussed the general financial position, the tariff adjustments, and other matters contained in the budget, with their effect on industry and the general prosperity of the country. I shall confine myself to two subjects. I propose to make a few comments first on the retirement of the public debt, and to follow that with observations a little more in detail on the question of the income tax and its administration in Canada.

The question of the retirement or the elimination of the public debt must inevitably receive attention in this debate. It was brought to the attention of the Minister of Finance (Mr. Robb) in the last session of the house. That was done in the hope that the minister would make a careful examination of suggested plans, not only of sinking fund methods, but of refunding also, and would bring down proposals looking to the future that this house might accept. Since that time, since the adjournment last spring, one of the most important operations on record of refinancing has been accomplished. Those who followed the stupendous refunding of United States liberty loan bonds, representing $3,100,000,000, 4¼ per cent seconds, and $2,160,000,000, 4¼ per cent thirds, into lower interest bearing securities, must have felt that the minister would have been inspired by the success of this financing to bring forward something definite, or at least an outline of what might be expected, or what could be done in the field of Canadian finance. But with that lack of initiative so noticeable in this government, nothing of the kind was proposed. I want to be fair to the minister and so will tell the house what he has not divulged —that so far as a refunding operation of any great magnitude was concerned, it was really not possible, for the reason that Canadian loans of victory bonds and other issues are non-callable. It was the callable feature of the second liberty loan that made possible Mr. Mellon's vast refinancing, which operation saves his government $21,000,000 per annum. But notwithstanding this disability with respect to a large operation corresponding in some degree to the American venture, there was plenty of scope for the government to use acumen and foresight, just as much as in the case of private companies that in many instances have revamped their financial structure, or have made plans for new financing. All of these are made with debt retirement features, mostly by sinking fund, covering periods of from fifteen to thirty years. A longer period probably would be advisable in government finance, if the interest rate were low, as it is at present. The callable feature should not be overlooked. I observe, however, that in the meantime the minister has sold $65,000,000 4½ per cent non-callable bonds without sinking fund provisions. These are Canadian National thirty year bonds unconditionally guaranteed both as to principal and interest by the Dominion of Canada.

In support of this methodless method, the minister harks back to a sentence written by an economist, McCulloch, in 1845—eighty-three years ago—twenty-two years before confederation when income tax in Great Britain was seven pence on the pound, instead of listening to the voices that are speaking in 1928 of achieved and possible financing following the accumulation of debts after the Great War. McCulloch advanced the idea that:

> Greater productiveness of industry and the greater well being of the community are the real sinking funds which a wise government should exert to build up and encourage.

This is a pleasing generality, but it will scarcely stand beside the masterpieces of actual financial operation. Great Britain did not heed McCulloch when she funded her debt of $4,600,000,000 in the United States and arranged for orderly payments. She has since paid $95,000,000 of principal and $615,405,000 of interest, making total payments of $710,405,000. If the Chancellor of the Exchequer had accepted McCulloch's sentimental and indefinite financial ideas Great Britain would not have had the credit and the standing she has in the world to-day. Mr. Coolidge does not go back eighty-three years, but he points with pride to the fact that in the years since 1921 when the debt of the United States towered $26,500,000,000 there has been an orderly reduction until $8,500,000,000 or 30 per cent of the total has been removed. Permit me to quote from his message to congress transmitting the budget for the year ending June 30, 1929, with reference to current debt reduction from taxation. Speaking of reduction of taxation the president makes this significant remark:

> Since 1920 there have been three reductions in taxes for the purpose of relieving the people of some of their war burdens. The act of November, 1921, lightened the tax load by a reduction of $663,000,000. The act of 1924 afforded additional relief of $519,000,000. The act of 1926 made a further reduction of $422,000,000. Taking these all together our tax demands have been lessened by $1,604,000,000. This in itself illustrates the value of orderly procedure. The people are permanently richer because of the diminished demands made by the federal government. And hand in hand with these material curtailments of the amounts taken from the people the public debt has been reduced. From a peak of more than twenty-six and a half billion dollars the debt has been reduced, on June 30, 1927, by $8,084,794,716. This lowering of the debt means an annual saving in interest of approximately $320,000,000. While this tangible and extraordinary saving emphasized the importance of debt reduction as a preliminary to ultimate adequate tax reduction, we have at this time for consideration the question of further relief to those who pay federal taxes.

From this it will be seen that since 1921 the United States national debt has been reduced by more than $8,000,000,000 or about thirty per cent, while the Canadian debt has been reduced something like five or six per

cent. The president and others who have commented on this financing of the United States government attribute its success to orderly reduction. How different is this from the haphazard methods employed by the government of Canada!

In regard to the debt reduction in the United States, I wish to refer to the address delivered by Ogden L. Mills before the Bankers' Forum of the American Institute of Banking, in New York on December 19, 1927. Mr. Mills, after setting out in detail the refunding operations, to which I have already briefly referred, uses these words:

> This cannot be done in a haphazard way, but calls for foresight, planning and the setting up of a schedule of maturity dates which will make available maturities to which the sinking fund appropriations and foreign repayments may be applied.

I commend consideration of these words to the Minister of Finance because they may be helpful to him in any refunding he may undertake, and in arranging maturity dates for future financing. I bring this matter again to the attention of the government because of its great financial importance, and because I believe that foresight and planning will materially assist in the ultimate retirement of the whole of our Canadian funded obligations. Again I point out and recommend to the minister that these matters should be considered in a businesslike way and treated in accordance with the most effective plan that the best business minds can devise. That is all I wish to say on the subject of debt retirement.

I shall now undertake to say a few words on the question of the income tax and I shall emphasize the improvement made in England in tax collection methods as a result of constant and persistent efforts covering more than a century. I shall point out that lower rates of income tax do not necessarily lower the revenue and I shall quote United States and Canadian experience in that connection. Last year, in speaking in this house, I made certain comments on the Income War Tax Act of 1917. This year that act is still under discussion as it probably will be as long as it remains on the statute books. So far as I have been able to discover in listening to speeches made by hon. members, there appears at the present time to be little disposition to ask for the repeal of the legislation instituting this tax; but like all other tax enactments, it is subject, and very properly so, to close scrutiny and inquiry as to desirability, practicability and incidence.

Before 1914 there was very little intensive study in this country of tax systems, and particularly of direct taxation. Revenues were not large; the burden of taxation was not heavy, and if taxation was not imposed on sound principles or with due regard to equity, no great injury was done. All this has been changed. Indifference has given place to great concern. Tax bills are scrutinized, and there is uppermost in the minds of many taxpayers the question: Are our revenue laws based on sound theory, and are they made in the light of the most recent experience? No system of taxation is perfect, and I think it is a fact that there is no approach to perfection in the Income War Tax Act. We on this side have not asked for its abolition, but we submit that its application should be fair, effectual and equitable.

At what level will an income tax produce the most money? If that field of inquiry is opened and explored, the results will be surprising, and after minute examination of the experience of other countries and even our own, we are led to the conclusion that it cannot be answered unless all those who should legitimately contribute are required to do so. But without enforcement the rates do not accurately determine the revenue to be derived at any given level. In Canada we have not yet reached the stage of income tax development where we receive the best returns. The method of levying and the method of collecting could both be very much improved. In spite of the efforts that have been made to bring about good results, the act as administered has brought about a lopsided collection of revenue. The government has approached this question as though it were easy of solution, but it is not.

What has been the experience of Great Britain? They have laboured with the problem of evasion for a hundred and five years. The first income tax act was enacted in 1798, with an exemption up to £60; in 1799, the rate was graduated on incomes from £60 to £200. Above £200 the rate was ten per cent. The basis of the existing income tax law was enacted in 1803. In that year the rate was made five per cent, and it produced substantially the same revenue as when the rate was ten per cent. This corresponds to recent experience in other countries. In 1806 important amendments were passed to prevent evading. From 1816 to 1842 there was no income tax in Great Britain. In the latter year Sir Robert Peel introduced an act based on the 1803 act, including the amendments to prevent evasion. Since 1842 the tax has continued. The rate in that year was sevenpence on the pound and in 1874 it dropped to twopence on the pound. In 1856 and 1861 select committees of the house were appointed to consider:

The present mode of assessing and collecting the income and property tax, and whether any other mode of collecting the same, so as to render the tax more equitable, can be adopted.

In 1904 a committee was appointed and charged with several duties, the first of which was "the prevention of fraud and evasion," and frequently in this century the prevention of evasion has been considered by select committees, and in 1919 by a royal commission on the income tax.

These references are sufficient to show that throughout the period income tax has been collected in Great Britain, one of the greatest concerns of parliament has been to undertake that evasion shall cease. An inherent regard for justice and fair play impels the British government to see to it that all those liable to tax under the various schedules used in that country shall be obliged to pay. In Britain an income tax devoid of equity and justice to taxpayers would be intolerable. They do not leave it to chance. Collection is made at the source. A recent writer says:

The salvation of the British income tax is its intelligent and efficient administration.

And again:

It makes the collection of income tax a practical certainty. . . . It prevents fraud, evasion and carelessness. . . . It makes honesty the best policy. The tax is collected at the time the income is received by the person who bears the tax. There is no possibility that the recipient may spend it and then later be unable to pay his tax.

The British system is not perfect; it has glaring disadvantages, but it does get the money that under the law the state is entitled to collect. In Canada, evasion is commonly practised, and to secure a specified sum, say fifty or sixty millions, the total rates of taxation on personal incomes are needlessly high. Our system, as it is presently administered, encourages deception and fraud. Evasion is easy to all who desire to take advantage of it except the salaried classes, and shareholders, and investors in registered securities. The provinces of Canada found that the enactment of prohibitory legislation did not necessarily have the effect of bringing about prohibition.

The point I am trying to make, Mr. Speaker, is that throughout the one hundred and five years that Great Britain has had the income tax, there has been a constant and persistent effort to stop evasion as well as an unfair levying of the tax. Where this is not done the tax is unfairly burdensome on those who pay it. Canada has had the income tax ten years. We have not begun, or are only beginning, to consider methods leading to proper application. The income tax has been paid by those whose income has been easily ascertainable, plus taxable persons who have been honest and conscientious enough to put in a complete return.

The American system, known as reporting, is partially adopted here. But Canadian reporting is confined mostly to the man on salary, the shareholder, who is the victim of double taxation, and in general to persons of fixed income. As for the rest, evasion is easy, and in my opinion, much too general.

May I be permitted to support my contentions by brief references? I am referring to personal—not business—income tax. In the year ended March 31st, 1926-27, the total amount of personal income tax collected was $18,409,234. This total includes over a million dollars from personal and family corporations.

It seems to me futile, Mr. Speaker, to argue that any one class of citizens cannot pay income tax. The statute respecting personal incomes does not primarily deal with classes or avocations; it deals with individuals. No one is required by law to pay unless he is assessable under the act. What we should demand, however, is that returns from all persons should be filed, and the proper authorities will then determine whether an assessment is to be made, or not. Canada should receive the revenue it is entitled to collect from those whose incomes are taxable, whether the assessed be a professional man, a manufacturer, an employee, an agrarian, or any one else liable to assessment.

Out of a population of nine million people, only 116,029 individuals paid income taxes in 1927. Of this number 109,008 persons paid a tax of $4,270,407.92, and 7,021 persons, with incomes of $10,000 or more, paid $14,138,826.46. That is to say, 0.08 of one per cent of our population paid 76.80 per cent of our total individual income tax, and 1.24 per cent of our population paid 23.2 per cent of the total individual income tax. That is, the total individual income tax of Canada was paid by 1.32 per cent of our population. The remaining 98.68 per cent of Canada's population paid no income tax whatever.

Now, Mr. Speaker, who in this parliament, or in this country, believes that only 116,029 persons in this broad Dominion come within the provisions of the Income War Tax Act? Nobody. I should like the Minister of National Revenue (Mr. Euler) at a future date to tell the house how many persons filed income tax returns last year. Every person from whom a return has been demanded and who has not filed one has violated the act, and is liable to a penalty.

The secretary of the treasury of the United States in his annual report on the state of the

finances for the fiscal year ended June 30, 1927, refers to the income tax as a class tax. His exact words are:

> Analyses of the returns made under the 1924 and 1926 acts indicate that the income tax has become a class rather than a national tax.

If these remarks apply to the United States, they apply much more to Canada. If the secretary's conclusions that the income tax in the United States is a class, rather than a national, tax is correct—and the figures certainly support his view—the same with more force can be applied to the Canadian income tax.

We have come to this position that the income tax must be levied fairly and completely on those entitled to pay. I am sure that the love of fair play and justice is as inherent in the Canadian as in the British people when the facts are known and understood. Parliament would not allow an act like the Canadian Income War Tax Act to live in Britain, unless the enforcement was impartial and complete.

In respect of the reduction of income taxation much could be said. There seems to be a disposition on the part of some hon. gentlemen to hold that the higher the tax rate, the more money will be collected. Does that necessarily follow?

An inquiry into the effect of reduction in Canada and the United States can lead to no other conclusion than that a moderate tax will be more remunerative to the Department of National Revenue than the retention of rates that are excessively high.

The Canadian rates are greatly in excess of the American. For example, the following table shows the income tax payable by a married man with no dependents in Canada, as compared with one similarly placed in the United States, and assuming that income to the extent of $5,000 in the United States is earned income:

Income	Canada	U.S.
$5,000 00	$32 00	$16 88
6,000 00	56 00	28 13
7,000 00	88 00	39 38
8,000 00	128 00	56 25
10,000 00	232 00	101 25
15,000 00	632 00	311 25
20,000 00	1,232 00	618 75
50,000 00	6,688 00	4,878 75
100,000 00	19,048 00	15,858 75
500,000 00	162,848 00	116,058 75

The Revenue Act of 1926 in the United States reduced the normal tax 2 per cent rate to 1½ per cent; 4 per cent to 3 per cent; 6 per cent to 5 per cent. Surtaxes were cut from a maximum of 40 per cent to a maximum of 20 per cent. The report of the secretary of the treasury in 1927 states:

[Mr. Matthews.]

> It was very naturally anticipated that these changes would result in a considerable loss of revenue. As a matter of fact, however, the individual returns for the year 1925 showed a larger tax than for 1924.

The conclusion of the treasury department, after the most searching investigation and analysis, and reporting its judgment in respect of the incidence of income taxation covering a period of years, is given in these words in the 1927 report:

> The treasury department has always contended that in the long run the taxation of income at moderate rates would be more productive than at very high rates. The soundness of this contention appears to have been amply borne out by the tax returns under the law of 1926, for both calendar years 1925 and 1926.

But we do not need to go afield to find conclusive proof that a moderate tax will produce more income than excessive rates. Last year collections under income tax in Canada amounted to $47,000,000 odd. A ten per cent reduction was applied in 1927. Immediately there were strong contentions in parliament that the income tax must not be reduced. These arguments, or rather statements, were advanced without a true knowledge of the situation, and regardless of any endeavour to find the level at which the income tax would produce the most revenue. If the 10 per cent reduction of 1927 had had the effect of taking 10 per cent off the returns, we would have this year only about $43,000,000 instead of $47,000,000. But actually, the National Revenue Review announces in February collections of $54,500,000, and at the same rate the revenue for the fiscal year ending March 31st, 1928, will be in excess of $55,000,000, an increase of $8,000,000 at a reduced tax rate. Similarly, in my opinion, the 10 per cent reduction for this year will not diminish the amount collected. What this country needs is to collect the tax. And I charge, without fear of contradiction, that the government has merely played with this tax; and that the application of it has been so grossly unfair that it has led to its greatest abuses.

Consider, for example—and it is only one example—the case of bearer bonds. It is reported to me that about $4,000,000,000 of taxable Canadian government, provincial, municipal, school and industrial bonds are in existence, and are mostly held in Canada. I am credibly informed that comparatively little of this vast sum of four billions is reported to the revenue officials as being in the hands of taxpayers. Yet we know the bonds are outstanding and are largely in the hands of Canadian investors.

They prove the futility of the Income War Tax Act as an effective measure, unless the solution of its complete administration is found. It has taken vigilant care for 105 years of actual experience in Great Britain to arrive at an approximately complete enforcement. This country does not lend itself as easily to enforcement; we are still in the initial stage of development, still seeking outside capital and immigration. High rates of direct taxation are not conducive to settlement or investment, and the income tax cannot succeed unless the country is prosperous, I cannot but think that the financiers in the republic to the south have taken steps in the paths of wisdom and foresight, and Canada would do well at least to consider carefully their example. Income tax rates higher than theirs, cannot but have an effect on this country, and an approximation to the rates they are paying in income taxes would probably assist in further settlement and enterprise here.

I have endeavoured to place the problem before the house in a manner that will induce examination and consideration of a war measure that is on the statute books, but is fraught with many difficulties and perplexities in actual operation. This, together with other problems, will require the best intelligence in the department charged with its enactment, and the support of citizens everywhere if its operation is to be attended by success.

Mr. C. R. McINTOSH (North Battleford): Mr. Speaker, we have listened this afternoon to the hon. member for Toronto East Centre (Mr. Matthews) deal with the national debt and the income tax. I think we have had two plans placed before the house for paying off the national debt, one the fixed sinking fund plan presented last session by the present leader of the opposition, the hon. member for West Calgary (Mr. Bennett), and again put forward for our consideration by the hon. gentleman who has just taken his seat and the other the surplus plan of the Minister of Finance. The redemption of our national debt has such a direct bearing on the development of the Dominion that it seems to me every member of this house should give it his very earnest attention.

Now, Sir, plans for the redemption of national debts have been proposed; the question is not new and undoubtedly if we can evolve a practical policy for retiring our national debt within a certain fixed period, it should be adopted. But unfortunately for the hon. member who presented that idea to the house, his party is not in power; it does not command a majority in this chamber and, until it does, the proposal he submits may not be given as fair a trial as in his estimation it should receive. However, as to paying off the national debt, the Minister of Finance (Mr. Robb), in introducing his budget this year, dealt with that very question of a fixed plan, that is, the method of paying off thirty, forty, fifty or a hundred millions a year and so gradually reducing the debt. In discussing the question the Minister of Finance plainly showed that a better policy, and one which is followed by the present administration, is to make every effort possible to improve industry and promote community welfare in every part of Canada. If the welfare of every community in the country is furthered, from east to west and from north to south, and if industrial productivity is accelerated in the Dominion as it should be from year to year by means of wise policies properly carried out, then there is no question about it that by means of the surplus plan we shall be able to reduce the national debt considerably from year to year and thus remove this dead weight which is pressing upon the people of Canada. This is the policy which has been adopted by the Liberals, the party in power.

But there is another method of reducing the national debt, and I believe it ought to be submitted to the serious consideration of the people. There is a good deal of merit in it, and inasmuch as it is a practice which is followed in Great Britain it is one that we might very well adopt here; at least, we should not frown upon it. The hon. member for Toronto East Centre in his speech this afternoon did not touch upon it, and I propose to bring the matter to the attention of the house and advocate the principle as strongly as I can. I refer to anonymous gifts. We find that in Great Britain the men who have millions, those who are enjoying wealth beyond compare realizing the difficulties confronting the nation, with its huge burden of national debt, are coming forward voluntarily and contributing considerable sums to the national exchequer towards the debt. Donations up to the present time total some ten million pounds, the last gift to the Chancellor of the Exchequer being £500,000. This latest contribution, added to what had been given before, brings the total of free gifts to the nation up to £11,000,000. This is an enormous sum, and I believe that half a million pounds put out at compound interest would, over a period of a hundred years, amount to sixty millions.

Now we have many millionaires in Canada; there are in this country many men who became wealthy during the war, men who profited by the conflict in which sixty

thousand sons of Canada died. Why should these men, who profited by the war to the extent of millions of dollars, not come forward even at this late date and say to the parliament of Canada, to the government, to the Minister of Finance, "We will do our best to assist in reducing the national debt; we will give you a part of our millions which we will ask you to put out at compound interest as is done in Great Britain"? Why should not our millionaires follow the example of the rich men in Great Britain and come to the assistance of the nation in this way? If they made such gifts, in fifty years the national debt of Canada would be very materially reduced.

Mr. HEAPS: But suppose they will not come forward, what then?

Mr. McINTOSH: In that case I say, cultivate them in such a way that they will want to contribute.

Miss MACPHAIL: I gave the country six thousand dollars; would the hon. gentleman do the same?

Mr. McINTOSH: Did I understand the hon. member to say that she gave six thousand dollars towards the national debt?

Miss MACPHAIL: Call it anything you like.

Mr. McINTOSH: If the hon. member did that she deserves every commendation. That is along the line of my argument and now that a start has been made in the House of Commons I believe the time is ripe for other member millionaires to follow suit. Those who feel strongly inclined to follow the example of the hon. member should come forward and give a lead to those outside the house.

Mr. HANSON: She has no family to keep.

Mr. McINTOSH: That is an individual question. I am discussing the national debt, something much broader. Now so far as paying off the national debt is concerned, I think it might be well to consider for a moment or two the records of the two parties in this respect. Let us go back to the time of confederation and see what the Liberal and the Conservative parties have done respectively in the way of reducing the debt of this Dominion. Before the war our national debt was heavy enough; since the war it is considerably larger. In 1871 our Conservative friends paid off about $500,000; in 1882, $1,734,000; in 1912, a little over $100,000; in 1913, $25,000,000. This represents a total of $27,000,000 approximately, over a period of thirty-four years, or an average of $82,000 a year. That is not a wonderful record; it would take a long time to pay off the national debt at the rate of $82,000 a year. It is clear, then, that the Conservative party has never made any serious effort to cope with the great problem of our national debt and has done comparatively little towards its reduction. What about the record of the Liberal party in this respect?

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: I am sure hon. gentlemen will be pleased to hear the record of their opponents, because there is nothing in life, especially in public life, like political chivalry. In 1900 the Liberal party paid off over $700,000; in 1903, $10,000,000; in 1904, $739,000; in 1907 over $3,000,000; in 1924, $35,000,000; in 1925, $345,000; in 1926, $27,000,000; and in 1927, $41,000,000. In other words, the Liberal party in 27 years has paid off a total of $159,000,000, or an average of $448,350 per annum—practically half a million a year. This is a record of which the Liberal party ought to be proud; and when a Conservative member brings up in this house the question of the national debt I am pleased to stand up and show what the party in power has done in squarely meeting the situation and making a real effort year by year to wipe off the debt and reduce taxation in order that the Canadian people may have a chance to develop more fully.

The budget, as every one knows, is the annual statement presented to parliament by the Minister of Finance for the approval of this house, and in the budget we receive a statement of the estimated revenue and expenditure for the coming year, as well as the financial policy and proposals of the party in power for the ensuing year. In this respect the budget now under consideration is a very favourable reflection of the system in force in this country. It is direct and effective and possesses a continuity linking it up with those budgets preceding it. It is direct because it gives us a picture of the finances of Canada; it is effective because from it we get a clear-cut conception of business conditions from coast to coast, and in the preparation and presentation of this budget the hon. Minister of Finance has done a piece of work which will bring credit to himself and to this country.

When we were considering the speech from the throne there was no amendment brought in, but to this budget an amendment and a sub-amendment have been proposed. I would like to say that as far as the speech from the throne is concerned I am glad to note that nationally and internationally we are making

progress. Canada has won a non-permanent seat on the council of the League of Nations; we are making every effort to increase our trade with other parts of the motherland as well as the other countries of the world, and during the past year we celebrated the sixtieth anniversary of our confederation. I believe it very important to have mentioned that point in the speech from the throne, because I think we should know more about our background of history and the material developments of the past, in order to be more fully alive to our duties in the years to come.

The speech from the throne emphasized the fact that we are making progress by land, by sea and by air. On land we are branching out and colonizing new areas; we are building a new railway in the north which will give our trade a new outlet through Hudson bay. Work has already begun on the construction of a new ocean port at Fort Churchill on this great inland sea. We are also taking to the air, making every effort to assist in the development and advancement of aviation. So all in all, Mr. Speaker, while the speech from the throne did not mark the beginning or the end of things, yet the message contained therein is one of congratulation to the government and commendation for legislation already brought down or to be put into effect.

The budget seeks to tell us just what we are doing as a party for the country in a financial way. We have an estimated surplus this year of about $54,000,000; we expect to be able to pay off this fiscal year $38,000,000 of our national debt, and in addition to that we have lowered taxation by about $19,000,000. Our taxation reductions in 1926 amounted to $25,000,000; in 1927 they amounted to $27,000,000 and in 1928 the figure is $19,000,000. On the other hand, before the Liberals came into power in 1921 the national debt increased greatly. The Conservatives in 1920-21, their last year in power, had a deficit of $92,000,000, but we have balanced the budget, and to-day we have progressed so well that we can announce to parliament a large reduction in the national debt and an estimated surplus which will prove to the world that as a people we are advancing and mastering our difficulties, both financial and commercial.

Then we come to the principle of the British preference, and in the budget this year we do not depart from that principle, which was laid down by the Liberal party in 1897 after 18 years of Conservative rule. In 1897 the principle of the British preference was introduced; it has been gradually amplified, and the Liberal party are still adhering to it. The Conservatives talked about preferences within the empire for years, but until the Liberals were returned to power no move was made to bring them into being, so it is important to know the history of the British preference in connection with the development of this Dominion. In 1868 the imports into Canada from the United Kingdom amounted to about $37,000,000; in 1897 that figure had dwindled down to only $29,000,000, and if that had gone on the trade between Canada and the United Kingdom would have almost ceased. But notice the change. The Liberal government introduced the principle of the British preference and in 1911, fifteen years later, the imports from the United Kingdom amounted to about $110,000,000. In 1919, while the Conservatives were in power, they again dropped to about $73,000,000; in 1926 they went up to about $163,000,000, while to-day they have gone up to $214,000,000, or practically triple the figure in 1919. But when we buy from a country we expect that country to buy from us, because there are two sides to every trade transaction. If we did not trade with the outside world, the outside world would not trade with us, and consequently our world trade would gradually go down as was the case in 1896, when the wheels of industry stopped and commercial development was almost at an end. At that time Canada lacked perspective and vision, and if ever a country needed political direction we needed it then. When the Liberals came into power, however, a change took place, and I have already shown what that change meant with respect to imports from the motherland.

Now let us consider the exports, which in 1868 were practically nothing. In 1897, when the British preference was introduced, they amounted to $77,000,000. In 1911, fifteen years afterwards, they had about doubled and stood at $136,000,000. That is loyalty of a practical nature. That is what counts in the consolidation or the building up of the empire. It is not a case of indulging in idle dreams, or of flag waving; it is getting down to actual business and doing something which will not only build up the empire but will unite this country more closely in a commercial sense with the old country and the rest of the dominions. As I say, the total in 1911 was $136,000,000. In 1922, when the Liberal government again came into power, the total was $300,000,000. In 1926 the total had grown to $500,000,000, while to-day it has reached approximately $542,000,000.

Then what about the total trade of the United Kingdom with this Dominion? In 1897 the total was only $105,000,000. It is no

wonder the government of the day felt inclined to do something if Canada was to prosper and the empire was to move forward as a unit. In the course of a few years, as a result of the efforts made by the Liberal government, the total trade had doubled. In 1897 it was around $105,000,000 and by 1911 it had reached $246,000,000. In 1926 it had gone up to the $600,000,000 mark, and in 1927 to a total of $756,000,000.

With reference to the articles placed on the free list and the cuts made in the tariff I have not the time to-day to deal with these matters as fully as I should like. However, we have had a cut in the sales tax. The Liberal party, as might be expected, has the interests of the people at heart. A number of articles have been exempted and a number, including boots and shoes, have had this tax cut to 50 per cent of the general tax, or 1½ per cent maximum. It is true that tax was originally 3 per cent. It is true that this government raised it to 6 per cent, and afterwards reduced the amount successively to 5 per cent, to 4 per cent, and to 3 per cent. The only reason why the sales tax was increased in the first place was that we had a debt to pay. And when it was increased, pyramiding the tax was effectively stopped. Not only had that debt to be paid but it was necessary to balance the budget, and so the sales tax had to be raised at the source. To-day, after having balanced the budget, after having developed a large empire trade and a large export trade, after Canada has been placed on her feet commercially and is making such tremendous progress, the sales tax has been reduced from 4 per cent to 3 per cent. I believe the policy of the government is to cut down that sales tax still further and gradually to eliminate it in the course of the next two or three years.

There are a number of members in this house who think that the income tax ought to be adhered to, and that if we can raise forty-seven or fifty millions of dollars a year from this source we ought to continue to do so. I am inclined to support that point of view but there is this fact to be borne in mind: We want to know exactly in what direction we are heading and we must adopt a policy of some sort. If that policy is not satisfactory to all it cannot be helped. We must go forward, we must drive ahead, we have got to take our stand. We must tell the people clearly and definitely just what we propose to do. Although the government is not telling us what its definite policy is on the income tax, I take it for granted that a 20 per cent reduction having been made in income tax, its desire is to continue lowering the income tax so as to make it possible for the provinces gradually to adopt direct taxation. Some people argue that the more the income tax is reduced the more likely we are to have indirect taxation through the medium of the tariff. I believe there is something in that argument. Nevertheless the government has communicated its policy to the house and to the country, and it is for hon. members to declare where they stand in the matter of reduction of taxation.

Mr. McGIBBON: Is the hon. member speaking for the government when he says the tendency of the government is to do away with income tax and leave that field of direct taxation to the provinces?

Mr. McINTOSH: I thought I had made it perfectly clear that I was not necessarily speaking for the government but merely expressing my own views.

Now I should like to deal for a few minutes with the question of immigration. I was talking with one of our members on this question and he said "Do not discuss that, it is too dangerous." I have no hesitation in discussing it. I never saw anything yet that I was afraid to discuss, either in this house or out of it, when the matter was one which concerned the people of Canada and the development of a truer Canadian spirit. There is no doubt but that the immigration question is a very important one. It is a very big problem and has been with us ever since confederation. So important is the immigration question that the government has announced its intention to have the whole subject investigated by a committee. That is the right course to pursue. In my opinion we need immigration in Canada, we need millions more people. We have vacant lands to be settled, and primary industries that must be manned in order to develop the country. I believe that for immigrants we should have the best class of people, not only in Great Britain, not only in Norway and Sweden, but in other countries of northern and western Europe. First of all our object should be to bring in Britishers. We should get the very best people we can from Scotland, from Wales, from England and from Ireland. Then, we could bring immigrants from northern and western Europe. But any immigration policy adopted should receive the united support of all parties in the house. Then we might reasonably expect to attract hundreds of thousands of people to our shores as we did not so many years ago.

We often hear people speak about the "foreigners" of western Canada. I am not using that name in any disparaging sense and

I believe that instead of using that name, we ought to use the words new Canadians or "newcomers." I believe there is attached to the name "foreigner" a stigma that ought to bar it from the language of Canada as a nation, or of any political party in this country. When the great Civil war was being waged in the United States from 1861 to 1865 and when we had people largely of British stock fighting for the right of dealing in slavery, for the right of man to hold property in man, what about the men who came from other lands to the shores of the United States? Those whose descendants are termed foreigners to-day and who had come to the republic to make their living on the soil, to find there homes and a new opportunity for service, were not found fighting in the armies of the south. They were found fighting in the armies of the north, and if it had not been for the aid that those men from the outside gave to Lincoln and the ideals for which he stood; if it had not been for the support they gave to the fight against slavery, that cause might have been lost. So to-day as regards these newcomers, men and women, who come to our shores from other lands, if we know how to receive them, how to weave them into our national life and how to use them in building up Canada the splendid qualities and attributes they possess, because it must be remembered they come from the great nations of the world, we shall feel that in the years to come they will be an important factor in politically consolidating this Dominion, in developing its resources, and in linking us up even more closely with the empire.

In 1921 the population of Saskatchewan amounted to 755,000, of whom 114,000 came from countries outside of the British Empire. Out of those 114,000, 80,000 were naturalized and mostly all could speak the English language. They were among our most reputable citizens and they were taking their part nobly in building up our municipal institutions, our provincial life and our national ideals. In my riding of North Battleford we have people from Germany, England, Ireland, Scotland; we have people from Poland and Russia; we have Ukrainians and Ruthenians; we have men and women from Hungary, Holland, Belgium, United States, from the uttermost parts of the earth, and many men and women who have made a pronounced success on the land will be found amongst those who have come from other lands, who have taken up land that was rough, hard to cultivate, and who still remain on the land. These people have made a huge success in developing those areas of the west, and so to-day I think, as a member of this house, I owe it to them, after the way in which they have been slandered and held up to ridicule, to tell Canada through this house that Saskatchewan feels proud of those who came to that province from other lands; that they have done a great work; that we thoroughly trust them to work out higher ideals in our municipal government, in building up our schools, in consolidating the different elements of the province, and in making Saskatchewan play the part it ought to play in the development of this Dominion.

Only a few years ago an investigation covering the years from 1915 to 1924 was made into the question of the effect upon the national character of the presence in Canada of people of outside extraction, and it was found that, in regard to this element of our population there is no danger of losing our ideals or of the British race becoming submerged. That sort of talk is all nonsense. The truth was brought out that serious crime had increased in Quebec and Ontario by one per cent, while in Alberta it had decreased forty per cent, in Saskatchewan twenty per cent and in Manitoba fifteen per cent or a decrease directly proportionate to the relative percentage of non-British people resident in those western provinces. That is a pronouncement that should be placed before the country. We have men going about berating these people and saying that they are responsible for this and that; but when we study the facts and make a scientific investigation of the racial problem in Canada, we can only conclude that these people have done a wonderful work; that we should thoroughly trust them, and that if we trust them still more they are going to fill, as our people of British stock have filled, and as we want all our people to fill, more and more the important positions in Canadian public life.

In conclusion, following out those remarks on immigration, I should like to give to the house a few considerations that ought to concern us as Canadians: first, the adoption of the selective principle to a greater degree than heretofore, thus securing the best racial strains to be found in the world for nation-building in Canada; second, concentration on British and French stock wherever possible. The British and French stock, the major races, have by union, largely made the Canada we have to-day. I believe if we link up the French with their fire and courage, with the respect they have for their native land, the admiration they possess for our literature and art, as well as their adaptability, with the British who have a genius in colonization, who have a courage to face all difficulties, and who are always found standing for ideals

of justice and progress, the future development of Canada will be absolutely safe. At the present time the French and the British combined comprise more than eighty per cent of our population and yet, because we are trying to bring the remaining fifteen or twenty per cent of our population from abroad, we hear people saying that there is a danger of British ideals and Canadian ideals being destroyed and the British people being wiped off the face of the Dominion. That argument does not in the least appeal to me.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I regret that I cannot congratulate the last speaker, the hon. member for North Battleford (Mr. McIntosh), on the suggestion that he has given the house for the reduction of the national debt. His suggestion, as I understand it, is that wealthy persons in Canada should be asked to come forward voluntarily and from patriotic and altruistic motives pour their shekels into the national hat. This comes rather peculiarly from the supporter of a government that has just announced a substantial reduction in the income tax and that proposes eventually to eliminate it entirely. For the year ending 31st March, 1928, the Minister of Finance (Mr. Robb) estimates that income tax collections will amount to $55,300,000. I find from the Canada Year Book that in the year 1926, 1,233 people, that is, those with incomes of $20,000 per year and upwards, paid 92 per cent of the total income tax, and it is for these needy people that the Finance minister proposes, as he stated in his budget address, to continue "gradually to lighten the load in the income tax field." Shifting the burden from this infinitesimal proportion of the population would not be so bad did it not necessarily involve placing the burden on the shoulders of the great mass of the population. The minister, of course, intimates that this proposal is in the interests of those provinces that now have income tax systems of their own. I should like to examine that proposal for a moment.

I think the assertion will not be challenged that the great majority of these large incomes are found in the central provinces, in Ontario and Quebec; but, Sir, I think it will not be denied that these incomes are earned from all over Canada. They are the large salaries drawn from transportation companies, financial companies of various kinds, insurance companies, companies doing business and earning profits in the maritime provinces, in the prairie provinces, and in British Columbia, as well as in the provinces of Ontario and Quebec. The maritime provinces today in spite of some relief they have secured, are still labouring under a sense of injustice. The prairie provinces are suffering a similar injustice—in fact their position is very much worse because they have been refused the return of their natural resources; that is a standing grievance in the prairie provinces. Now if you leave this income tax field entirely to the central provinces, a source of taxation which I believe should accrue to the whole people of Canada—if you centralize it again in the central provinces you will simply intensify and increase that dissatisfaction, and I say that a procedure of that kind may be fraught with serious consequences.

Those of us in this section of the house who object to the reduction in the income tax are frequently met with jibes and reminded that the farmers whom we principally represent pay very little income tax. It is unfortunately true that very few of those engaged in the agricultural industry owing to the small returns they receive from their work are liable under the income tax law. But it is absurd to suggest that farmers and working people do not contribute materially to the federal taxes. According to the minister's budget speech estimate, the revenue from taxation for the year ending March 31, 1928 will be $357,000,000, of which $298,600,000 will be collected through the customs department in import duties, excise and sales taxes. Now every farmer and every workingman who purchases a pair of boots or a pair of overalls or a calico dress contributes in some form or other to the federal taxes. In the United Kingdom forty-five per cent of the total revenue is derived from income and inheritance taxes. The United States receives sixty-four per cent of its total revenue from income tax while Canada receives less than fourteen per cent from this source and, the minister, whose heart aches for these needy rich, proposes now to eliminate even this fourteen per cent. And still we are calling upon the people of the United Kingdom and of the United States to come to this country as immigrants to assist us with their brain and their brawn in the development of the natural resources of this country and in building up here a great Dominion. I would suggest that the immigration literature which we distribute among these people should include these figures I have quoted, and that the people should be told frankly that they are invited to come here and share a larger proportion of the burden of taxation than their class is obliged to bear in the countries from which they come.

I submit in any case, when the minister had decided to reduce the income tax, that it

would have been very much fairer had he raised the exemption rather than reduced the total amount to be paid. Under the present system a person having a taxable income of $4,000 will receive a rebate of $2 under the reductions that go into effect this year, but a man having a taxable income of $25,000 will receive under this reduction a rebate of $253.

The Financial Post, a paper that might be assumed to represent and speak for those who have large incomes has this to say in an editorial in its issue of February 10 last:

> The campaign for the abolition of the income tax may do more harm than good. This campaign is being chiefly pushed by an organization styling itself the Retail Trade Bureau of Canada, a dissentient offshoot from the larger Retail Merchants' Association of Canada. The bureau has won a good deal of publicity for itself by conducting this campaign with considerable vigour and persistency. It has won over a number of influential people and, of course, has the hearty encouragement of every one who believes that a nation can be run without taxes.
>
> The income tax became part of our tax system during the war, and is to that extent a war measure. Some day when Canada has practically recovered from the financial after-effects of the war it may be possible to drop the income tax entirely. But although the war is over, we are still paying for it directly in annual payments of $125,000,000 a year for interest on war debt and for pensions and indirectly in other governmental expenditures.

Then I turn to the Financial Times, another paper representing the same viewpoint, a paper that might reasonably be expected to applaud the announcement of the minister that he proposed to wipe out this tax. The Financial Times takes a very strong stand against that proposal. It says that this tax is wholly suitable to Canada because it is capable of being graduated in accordance with the tax-paying power of the payer, and then it goes on in a lengthy article to attack very strongly the policy of the minister in leaving this field to the provinces.

The present Minister of Immigration, the hon. member for Brandon (Mr. Forke), speaking in the city of Winnipeg on September 17, 1925, had the following to say, according to the Manitoba Free Press:

> The retention of the income tax without reduction, until the proposed fiscal reforms have been established and the revenue requirements have been reduced to the lowest figure possible, is imperative.

Again, I find a despatch in the Regina Leader from Fenton, Manitoba, dated October 2, 1925, which says:

> Mr. Robb, the Minister of Finance, has announced that if the government is returned, he will reduce the income tax. "I am not in favour of it," said Robert Forke, Progressive leader here Thursday night. "It is the simplest tax and is paid by those who can afford it. It is much fairer than a customs tax."

I wonder if the minister's voice was heard in loud and angry protest in the cabinet council when these proposals were being considered. It would be rather interesting to know, because I have so much respect for the minister that I can hardly think he has allowed his viewpoint to become changed by —shall I say?—the sweets of office. I hate to think that he has changed his opinion. I would rather think that he protested, and protested vigorously, to his colleagues against this reduction.

But I have someone else to quote, someone who had very much more influence within the cabinet than the Minister of Immigration, and that is the Prime Minister himself. Speaking at Yorkton, Saskatchewan, on November 8, 1920, he is quoted as saying:

> There is no doubt where the Liberal party stands on the tariff.

I quite agree with that statement; there is no doubt about it to-day. But let me quote the Prime Minister further:

> Taxes have to be raised, but it is not necessary to do it all by direct taxation. I would tax incomes, business profits and luxuries.

Then listen to this gem:

> All could be raised in that way.

Here you have the Prime Minister, the leader of the government, when he was appealing to the people of western Canada for support, assuring them that if he got into power he would tax incomes, business profits and luxuries, and that all the revenue could be raised in that way. But when we come to examine the figures we find that this government is collecting a very much smaller proportion of its revenue from the income tax than the late Conservative government did. I will quote a few figures to prove my statement. I am taking the year 1921-22 as the last year of the Conservative administration, for although the Liberal party were in power during the last half of that fiscal year, yet the taxation policy was that set by the Conservative budget. The tax collections for that year were as follows:

Income tax and business profits tax	$101,500,000
Excise and sales tax	110,411,000
Customs duties	105,500,000
Total	$317,411,000

The important thing to remember is that in that year only 33 per cent of the total revenue from taxation was collected through

the customs tariff. Then we come to the year 1927-28. This is the minister's estimate:

Income tax and business profits tax	$ 55,940,000
Excise and sales tax, under the war tax legislation	88,000,000
Ordinary excise	57,000,000
Miscellaneous taxes	2,500,000
Customs duties	153,600,000

Those items represent a total of approximately $357,000,000. We have heard a good deal about reduction of taxation. The Minister of Finance himself made a great ado about it in his budget speech, and the hon. member for North Battleford, who preceded me, boasted of the achievements of his party in that regard. Yet, Sir, we find that this year the government expects to collect $40,000,000 more by taxation than did the late Conservative administration in the last year it was in power. But more important still is the fact that while in the year 1921-22 only 33 per cent of the total revenue from taxation was collected through the customs tariff, this year it will be 43 per cent. In 1921-22, 32 per cent of the total taxes were derived from income tax and business profits tax, and only 33 per cent from the customs tariff; whereas this year, 1927-28, only 14 per cent of our total revenue from taxation will be derived from income tax and business profits tax, as against 43 per cent from the customs tariff. Of course, under the policy laid down by the Minister of Finance this difference will increase year by year.

Next, Mr. Speaker, I come to the question of tariff reductions. The more I examine the budget the more I realize that the tariff is not reduced at all; it is actually raised. Of course, I am speaking from the standpoint of the consumer. I appreciate the fact that considerable reductions have been made on machinery and raw material used by the manufacturers, and in fact the great bulk of the reductions are really in their interest. I am not complaining of that; on the contrary I am delighted, because I am interested in seeing them just as prosperous as other classes of the community; but speaking from the standpoint of the consumer I must confess that I am unable to discover these reductions. The Minister of Finance in his speech states that he proposes to do something to foster interimperial trade. Well, Sir, I submit that the policy which he has laid down is directly designed to impede that trade. The changes with respect to the British preference will have the effect of raising the protection to the Canadian manufacturer, preventing the importation of goods under the British preference, and of course ultimately raising the cost to the consumer. The minister states:

At present Canada requires 25 per cent to be empire labour and materials. It is proposed to double this percentage.

Now, Sir, let us analyze the effect of this on the cotton industry, for instance. Of course, I appreciate the fact that where practically nothing enters under the intermediate tariff there are substantial reductions. As the hon. member for Winnipeg North Centre (Mr. Woodsworth) pointed out, there is a reduction of the duty on candle wick. Had that reduction been made fifty years ago it might have been of some relief to the consumer. But let me proceed to discuss the effect of the budget on the cotton industry. Ninety per cent of the short staple cotton used in British mills is purchased outside the empire, 30 per cent of the total American exports of cotton going to the United Kingdom. Not more than 15 to 20 per cent of the cost of the finished product of the British cotton mills is labour. Of course other materials enter into the finished goods besides cotton, and Great Britain has to import some of those materials. So it will be seen how difficult, how impossible in fact, it is for the British cotton manufacturers to secure the advantages of the British preference. In any case, may I point this out, when cotton prices are high on the market, the relative value of the cotton in the finished product will be increased; and the minister, in effect, says to the Canadian consumer: When cotton prices are high I propose to increase the duty on cotton manufactured goods, and when cotton prices are low there is a possible chance of these goods coming in under the British preference. In ten years the average value of the raw cotton used in British mills was 46 per cent of the finished value of the goods. In one year it was about 58 per cent. It is quite obvious, then, that under this new proposal the advantage of the British preference will largely be lost to the British cotton manufacturers.

Now, Sir, the Minister of Finance and his colleagues have made a great ado about the tariff board. Last year the excuse was made that tariff reductions were withheld until reports were received from the board. I have come to the conclusion that the tariff board is simply a shock absorber for the government—something to put the blame on, something to pass the buck to. That is about all it amounts to, because I find that this change in the British preference never went before the tariff board at all. Some of these interests apparently were allowed to come in by the back door, as the hon. member for Winnipeg North Centre suggested the other day; but when a delegation representing the United

Farmers of Saskatchewan came down here and laid their claims before this parliament, they were told that the proper place for them to go to was the tariff board, and no relief was given them. In a recent issue of the Financial Times it is stated:

Some relief has been given the Canadian linen industry under the new Robb budget.

I presume this refers to section 532 of the present tariff. It covers cotton yarns, No. 40 and finer, which I believe are largely used in the manufacture of linen. These were all free under the old tariff, but under 522b and 522d of the amended tariff they will be dutiable to the extent of from 7½ to 15 per cent. I understand that none of these yarns are imported; that the Canadian mills spin all their own yarns. So this just means an increase in the duty, and as the Financial Times assumes, "some relief has been given the Canadian linen industry."

From the minister's budget speech I take it that in 1927 we exported to the United Kingdom goods to the value of $448,000,000, and bought in return only $164,000,000, leaving a balance in our favour of approximately $300,000,000. As Great Britain, Mr. Speaker, provides almost the only market for our grain and for many other farm products as well as some manufactured commodities, I submit that the principle laid down in this budget may have disastrous consequences for us, because there is nothing to prevent Great Britain buying her grain and many of these other products from other exporting countries that are prepared to buy dollar for dollar from her. Whatever tariff we may impose against the United States, I submit that it is a most serious thing, at this time when the balance of trade is in our favour, to place any impediment against British exports to Canada.

Enough has been said about the Liberal platform of 1919, and I do not propose to quote from that historic document. But it is my complaint that hon. gentlemen opposite from Saskatchewan and Manitoba, and the government as a whole, secured the support which they received in the prairie provinces, particularly in Manitoba and Saskatchewan, by appealing to the people on this very platform of 1919 which they now ignore, by telling the electors that if they would only send men who would attend the Liberal caucus and sit in council with the Liberals the western point of view, as the Prime Minister said, would prevail. A stirring appeal was made to the electors in those provinces to abandon their Progressive ogranizations and to line up with the Liberals in order, as they declared, to get the low tariff forces together. That was the common slogan in the election. I wonder what it means to those gentlemen to-day. This appeal had its effect in securing the return of the block of Liberal members whom we find in the house to-day from the province of Saskatchewan, and as well in the absorption, in whole or in part, of the Manitoba Progressives, who also sit opposite. The whole argument, from the Prime Minister down, both in Manitoba and in Saskatchewan, was that if the electors would only send supporters to attend the Liberal caucus, men who would sit in council with the Liberals and take their share of responsibility, they would secure the fulfilment of the promises made in the platform of 1919.

Some hon. MEMBERS: Hear, hear.

Mr. CAMPBELL: Hon. gentlemen opposite are more optimistic about the future than I am; I am glad that at least they can indulge in some applause to keep their spirits up. I wonder what the hon. member for Battleford really thinks; it would be interesting to know what is really in his mind. And what does the hon. member for Weyburn (Mr. Young) think?

Mr. VALLANCE: Which Battleford is the hon. member referring to—North or South Battleford?

Mr. CAMPBELL: I am referring to the member for South Battleford; not the member for North Battleford.

Mr. VALLANCE: There are two Battlefords.

Mr. CAMPBELL: The Prime Minister, at Yorkton, on November 8, 1920, said:

All agricultural implements should be placed absolutely on the free list.

I wonder what was his real view when he uttered those words.

Mr. McLEAN (Melfort): Will the hon. member tell us what he is quoting from?

Mr. CAMPBELL: From a good Liberal paper which consistently supports this government to-day—the Yorkton Enterprise.

Mr. McLEAN (Melfort): It was a good Tory paper in 1920.

Mr. CAMPBELL: It is a good Liberal paper to-day. When the United Farmers of Saskatchewan, through a delegation here, asked this government to implement these very promises, their request was studiously and coldly ignored. A despatch in the Leader, Moose Jaw, September 30, 1925, refers to a meeting attended by the Prime Minister and some other gentlemen in that town. I quote:

The Premier also made a plea for the merging of the forces of the low tariff in the west to fight the common enemy of high protection led by Right Hon. Arthur Meighen.

On the same platform the present member for Moose Jaw (Mr. Ross) said:

The Conservative party says, "We will tax you more by our tariff proposals." Proudly the high protection flag is being flown by Mr. Meighen and his party. "We will tax you more," they say, "so that the rich men of the east may have better limousines and more sumptuous living."

On the same platform the then Premier of Saskatchewan the present Minister of Railways (Mr. Dunning), made this statement:

"No one will question one fundamental in so far as the tariff is concerned", said Mr. Dunning, "and of all the individual taxes which our people bear, this one of the tariff is the highest and one which brings no advantage to the people of the province."

Yet, only a short time earlier, the same hon. gentleman speaking in Ontario, made haste to reassure the people that he was not a free trader. At Pembroke, Ontario, on August 10, 1925, of the same year, he said:

I have been described as a free trader. I am not a free trader.

At the same meeting at Moose Jaw the Prime Minister, at the time he was making his appeal to the Progressives to drop their own candidates and organization and merge with the Liberals in order to defeat the common enemy, uttered these words:

The east asks your representatives to join with them. We ask you to send to our councils men who will work with us in shaping our policies,—

I wonder to what extent hon. gentlemen opposite from Manitoba and Saskatchewan joined with the government in shaping this budget. They are a sadder and a wiser lot to-day, but I am not blaming them; most of them were quite honest. They thought they could revolutionize this party when they came down here in a little bloc, but to-day they must admit it is beyond hope. But let me conclude the quotation:

—because we want the western point of view to prevail with regard to all the questions that apply to our Dominion.

Now I say, in view of all these promises, in view of the appeal that was made to the people of Manitoba and Saskatchewan, this government holds office to-day by fraud and deception.

Mr. BELL (Hamilton): And always has.

Some hon. MEMBERS: Order.

Mr. CAMPBELL: I have here some figures taken from Trade of Canada—

[Mr. Campbell.]

Mr. CASGRAIN: I understood the hon. gentleman to say that the government conducting the affairs of this country holds office by fraud and deceit. This language is not parliamentary and should be withdrawn.

Mr. CAMPBELL: I hope I shall be given extra time for these interruptions.

Mr. SPEAKER: I hope the hon. member will withdraw the expression; it is not parliamentary.

Mr. ROBB: May I say on behalf of the government that nothing which the hon. gentleman can say will hurt them.

Mr. CAMPBELL: In deference to your ruling, Mr. Speaker, I withdraw the expression.

Mr. CASGRAIN: I ask that the hon. member withdraw it.

Mr. CAMPBELL: I have withdrawn the remark, but that does not alter the facts.

Some hon. MEMBERS: Order.

Mr. CASGRAIN: The hon. gentleman has not withdrawn it.

Mr. SPEAKER: The withdrawal must be absolute.

Mr. CAMPBELL: I have withdrawn the statement, but I cannot change the figures. Now I wish to quote figures taken from the Trade of Canada—

Mr. CASGRAIN: I understood it to be your ruling, Mr. Speaker, that the words should be wholly withdrawn.

Mr. SPEAKER: The hon. member withdrew the statement but he added a qualifying remark which I must ask him to retract.

Mr. CAMPBELL: I do not think there is any mistake about the remark having been withdrawn, Mr. Speaker; I withdraw it. Now, there are certain figures which I wish to quote up to the year ending March 31, 1926. I am taking the last five years of the Conservative administration and comparing it with the first five years of the present government's administration. For the five years from 1917 to 1921 inclusive the average rate of duty on dutiable imports was 21.9, while for the five years from 1922 to 1926 inclusive, under this administration, the average rate of duty collected on dutiable imports was 24.06, or a difference under the late Conservative administration of 2.16 lower. We hear a great deal about the high tariff and the low tariff parties in this country, and for some time after coming to this house I wondered which of the two old parties was the high and which was

the low tariff party. To-day I no longer wonder; I am quite convinced from these figures that as between the two old parties the low tariff party sits to our right while the high tariff party occupies the benches opposite, including in their ranks the hon. members from Saskatchewan and Manitoba.

In his zeal and in his enthusiasm to represent the people who elected him, the hon. member for Weyburn (Mr. Young) placed a resolution on the order paper at the beginning of this session asking that section 43 of the Customs Act be eliminated. That resolution was called twice, but the hon. member failed to respond. I am not blaming him particularly; when he filed that resolution I believe he did so honestly, and with the firm conviction that he was representing the viewpoint of the people who sent him here and in order to carry out his pre-election promises. But I wonder what happened after he reached Ottawa? It would be interesting to know what happened in those Liberal councils to which the Prime Minister asked us to send representatives.

Then again, we have the hon. member for Willow Bunch (Mr. Donnelly). In his zeal to represent the people who sent him here he brought down a resolution asking that mixing at the terminal elevators be eliminated in connection with grades 1, 2 and 3 of wheat. I know that is a burning question in his constituency, but the hon. member was a little more frank than my friend from Weyburn. He did not wait for the Speaker to call the resolution; he withdrew it from the order paper, and I wonder just what happened in the party councils to bring about this result.

Mr. DONNELLY: Would my hon. friend like to know? I was advised by the Saskatchewan pool not to proceed.

Mr. CAMPBELL: That is no answer at all. If my hon. friend's constituents wanted that action taken he should have had the house divide on the question. The hon. member for Brandon, the present Minister of Immigration, speaking in Winnipeg on September 17, 1925, is reported by the Manitoba Free Press to have said:

> The absorption of the Progressives by the Liberal party, whether in or out of office and under whatever guise effected, would postpone for a generation the attainment of necessary reforms.

I am not going to criticize the minister, because I believe he said that from the depths of his heart; I believe that was his honest conviction, and if he would admit it I think it is still his firm opinion. However, we have all seen what has happened; a part of our representation from Saskatchewan and Manitoba has been absorbed, and you see the effect in this budget. When appealing to the Progressives to give up their organization and join with the Liberals, the Prime Minister is quoted as saying at Moose Jaw, during the campaign of 1925, the following:

> Mr. Crerar and Mr. Hoey did not present themselves in this election. Mr. Forke is like the ordinary Scotchman; he is going to hang on to anything he has until the end.

I am sorry the Prime Minister was not such a good prophet as the Minister of Immigration, because the minister did not hang on very long.

I listened with interest and attention to the speech of the hon. member for Provencher (Mr. Beaubien) a few evenings ago. We miss his smiling face, his ready wit and genial companionship on this side of the house. For a long time I looked forward to the day when he, like the prodigal son, would return to us, but his speech indicated that there is no hope of that now. He at least is one of those who have been absorbed, and for whom there is no hope. The hon. member objected to the reduction in the income tax, and I think he pleaded with the minister not to increase the duty on lace, or something like that. Knowing what a ladies' man the hon. member is I can understand his concern, but he wound up by saying that he was going to vote with the government anyway. In effect and in substance he said to the government, "I do not like your budget, but I am going to vote for it anyway." What is the effect of that? I say my hon. friends from Manitoba must bear the full responsibility for the fact that such a budget is now before the house.

Let us go back over our history from 1922. The first really good budget, from our standpoint was in 1924, and that was due to the fact that the government lost some by-elections and were in a weakened position. At that time the pressure from this corner of the house forced them to live up to their own policy and carry out, in a measure at least, their own pledges. Then almost the same thing happened in 1926, and here is the irony of the situation; on the strength of those two budgets this government is in power to-day. As a matter of fact we saved the government in spite of itself; and I wonder who is going to save the government the next time? I understand and appreciate the difficulties which my hon. friends from Manitoba have had to face, but I put it up to them squarely where their duty lies to-day. Should they not take an independent position and stand over here, serving notice on the government that unless

they carry out their own policy and fulfil their own pledges they will not be entitled to support? Had that been done, what would have been the result? We never should have had a budget such as this: so my hon. friends must bear the full responsibility for the nature of this present budget.

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, I listened to the first part of the speech of the hon. member for Mackenzie (Mr. Campbell) with some approval, but when he reached the latter part of his remarks I knew he was voicing the extreme views of the west. It will be my purpose, Sir, to voice not the extreme views of the east but the views of the extreme east, and to discuss them not in an abstract manner in relation to the tariff in general, but in so far as budget changes affect the industries and the natural resources of that portion of Canada from whence I come.

Mr. CAMPBELL: I might say that I was voicing the views expressed by the government in the west.

Mr. ERNST: Then the government expressed an extreme view in the west.

It seems to me that the internal management of the country and the internal functions of a government in relation to the country to-day divide themselves largely into three groups. First of course there is the maintenance of law and order; then comes the conduct of the various departments of government and the collection of revenue, and lastly what you might class under the general heading of conducting the government for the benefit of the people, particularly bearing in mind under that heading the development of trade and our natural resources. In a country such as Canada, a young country blessed abundantly by nature, it would appear that this latter in itself is a gigantic task, and one of the most formidable which would be undertaken by any government. It is idle for the Minister of Finance to come before parliament and boast that this is a year of prosperity, seeking to prove it by quoting trade figures for this year in comparison with the figures for 1920 or any other year; many factors affect trade conditions, which in turn affect our revenue. Providence is one factor; world economic conditions are another, and lastly and possibly the least important of all, we have the policies of the government. Before these figures assume any particular importance it behooves the Minister of Finance or anyone talking glibly about the prosperity which this government has achieved for the country to show just how the government brought about the prosperity referred to. What particular items in its policy does it indicate as working for the general prosperity of Canada during the past seven years? Look the policy over item by item; consider the tariff changes. In so far as the whole tariff schedule is concerned the changes are trifling and insignificant. Surely it cannot be said that this government, by its tariff changes has so lowered the cost of living or the cost to the primary producer that it has increased the prosperity of the country. Take the trifling changes in the rate of taxation. Can anyone point to an instance where those changes have enabled one individual to stay in this country or one industry to remain in operation? Consider the immigration policy. Surely the government does not point to that as one of the factors contributing to the prosperity of this country, because looking at it for the last seven years we find that it has been the most ghastly failure in the history of that department. While we are bringing settlers in by the thousands, our own people in greater numbers are leaving the country. Then to what policy of the government shall be ascribed this prosperity? Is it because of economy? Surely not, because each year we find our expenditures increasing. What is left? To what features of its policy do hon. gentlemen opposite point in order to prove that the prosperity is the work of this government?

There is a better test, a really accurate way of measuring these things, and it is this: Are we developing the natural resources of this country to the maximum compatible with world economic conditions and with the preservation of these resources over a period of years? Are we developing in Canada a prosperity which will prevail in each of the provinces and will be effective from coast to coast? That is the true test to be applied in determining whether or not Canada is prosperous, and any government which cannot answer that question in the affirmative must be regarded as derelict in its duty to the people.

Much has been said during the last year about national prosperity and about national unity. We have witnessed also a great deal of pageantry. Pageantry is all very well, and I for one do not deplore it, but it seems to me that the only sure foundation for national unity in this country is to have such policies for the development of the resources of each province as will make the people of that province prosperous and contented and imbue them with an abiding faith in the destinies of Canada. Unless we make the people of each province prosperous and contented they

will not have that faith in the future of the country which they should have and they will not have a true belief in national unity. It is from this aspect that I want to consider the budget in relation to the industries of the province of Nova Scotia.

I am going to ask hon. gentlemen opposite if they can see in this budget, in so far as the primary and secondary industries of the province of Nova Scotia are concerned, anything calculated to develop those industries one little bit? I will consider the industries one by one. I will point out the tariff proposals, and then see what the effect will be, if any. There is a lowering of the sales tax to the extent of 1 per cent. I believe it is the view of the people of Nova Scotia as it is the view of the western members—I am sure it is the feeling of my own people—that the sales tax ought to have been abolished entirely because it weighs on everybody, high and low, rich and poor, whereas the income tax affects the wealthy alone.

What is there in this budget to help the coal and the steel industry in the province of Nova Scotia? The Postmaster General (Mr. Veniot), when he spoke at St. John some months ago, said that what the government was going to do for the steel and coal industries would make the people of Nova Scotia proud. What has the government done? What is the government going to do? We have in our province practically an unlimited supply of coal. We have in the adjacent Dominion of Newfoundland iron ore which can be brought to us in but a short journey over the water. We have all the potentialities of a great industry except the market. We need a national fuel policy, and we need protection for our steel industry. I wonder what there is in this budget which is going to help that industry to get on its feet again after its long struggle? If the Postmaster General can take any pride in this budget in that respect he must take pride in something in which he is usually wanting and that is silence.

Let us take our diversified manufacturing industries. We have a number of small manufacturing industries scattered over the entire province. What is there in this budget, or in the tariff schedule filed by the Minister of Finance, which is calculated to help even one of them? Take for example the woollen industry. In this budget the schedules with regard to it are rearranged. The woollen industry was dealt a severe blow when the British preference was introduced, a blow from which it has not recovered to-day. The only effect of the present budget is to threaten the spinning end of the woollen industry with extinction, and to leave the weaving end exactly where it was before the budget was introduced. With all due deference to the British preference I submit that what we need in this country is a policy of Canada for the Canadians. Let us place Canada first. Let us develop our own country for our own people and then, and only then, if we can do so compatibly with the interests of our own people, let us grant concessions to the mother country and to the other dominions. But always let us first consider our own people, let us develop Canadian industries in the interest of Canadians.

I pass on to the agricultural industry. The agricultural industry in eastern Canada differs largely from that in other parts of the Dominion to this extent: We have small farms devoted to mixed farming and which, excepting perhaps in the case of the apple industry, look largely to the home market for the sale of their products. Is there anything in this budget calculated to develop that home market, calculated to increase the growth of the urban centres where we market our products, or calculated to make new centres spring up where none exist to-day? Take the effect of the Australian treaty. The Minister of Finance (Mr. Robb) and the Minister of National Defence (Mr. Ralston) must be aware that the farmers of Nova Scotia are protesting against the effect of that treaty and against the importation of Australian and New Zealand butter to compete with their own product. Is there anything in this budget calculated to remedy that injustice, or to increase the market for our dairy farmers so that they may sell what they produce at a profit?

Take the pulpwood industry as to which we are differently situated from other provinces of Canada. Ours is a small province almost entirely girt by the sea, and our forests are easily accessible from the ocean. With what result? We have witnessed the spectacle of thousands of cords of our pulpwood going to the United States in 4-feet lengths there to be manufactured into pulp and paper. Last year 170,000 cords were exported from the province of Nova Scotia. From the constituency which I represent 40,000 cords went out on the Lahave river in 4-feet lengths. In three years more that river will be denuded of its forests and nothing will be left except the water with which to turn the wheels of an industry that can nevermore arise. You may say that is a matter of provincial concern. It is not a matter of provincial concern because the lands from which this wood is exported are largely owned by private investors, by private capital, and the pro-

vincial government is practically powerless to stop exportation. It is a matter for this government to take up and it will have to deal with it quickly if our forests are to be saved for posterity.

I pass on to the fishing industry. What is there is in this budget likely to be of any great assistance or benefit to the fishermen of the province of Nova Scotia? I realize, Sir, that a royal commission was appointed to investigate the fisheries of that province. May I remind the house and hon. gentlemen opposite why that commission was appointed? It was appointed because open discontent was manifested and open hardship had occurred in the eastern part of Nova Scotia, in the town of Canso, in the constituency of the hon. member for Antigonish-Guysborough (Mr. Duff). So acute was the situation that this government deemed it advisable to appoint a commission without the authorization of parliament for expenditure involved. I agree that the need was urgent, but political expediency dictated the sittings which that commission was to hold. It held sittings not only in practically every fishing village and hamlet of importance in the province of Nova Scotia, but also in New Brunswick and extended into Quebec, which was not originally contemplated. The reports of the government's own officials, including Mr. Ward Fisher, superintendent of the eastern division, for several years had drawn its attention to the conditions which existed, but it was not until open discontent was displayed and actual hardship was experienced that the royal commission was appointed. Be that as it may, the fishermen of Nova Scotia knew the need to be urgent, and action by the government was expected early this session. What has happened? As the result of the itinerary being mapped out by politicians and not by the commission itself the report is only now in course of preparation. It may be received in time for consideration by parliament during the present session. As to that I do not know, but I do know this: Had that report been available, and had the commissioners given full effect to the evidence submitted to them there would have been some proposals before parliament worthy of the consideration of the Finance minister and calling for notice in the budget. As a result of the delay which has occurred the proposals of the commission, whatever they may be, will have to wait at least one year more for fulfilment. As to the fishing industry I am reminded to some extent of the words of the Postmaster General, who I regret is not in his seat, when he spoke in this house on the 8th of February. He sought to leave with the house and the country the impression that Conservatives from the maritime provinces were disgruntled and had no real grievance, and he allied himself with the Minister of Finance and the Prime Minister who talked glibly of prosperity in this country. I wish he would come down with me to the shores of Nova Scotia and see conditions as they there exist. We have there a great fishing industry with resources practically inexhaustible and we have a people who are adapted to that industry; yet I can take him to villages where the average earnings last year per man were less than $200, and those men are heads of families. Those are not isolated villages. I can take him to whole stretches of the coast line where the average earnings per man were less than $300 per annum, I can point out to him reports of this government that since 1914 ten thousand men have been lost to this industry. I can show him whole villages where house after house has the windows boarded up and the occupants have gone to the United States, to Gloucester and Boston. Yet the hon. member, along with other members of the government, talks glibly of prosperity. For one thing I thank God, and that is that I cannot talk glibly of prosperity while my people are enduring hardships. The industry is one which is crying for bread, one which requires governmental direction and policy, if any industry ever did so.

Mr. HANSON: The government gave them a royal commission.

Mr. ERNST: That is not an end; it is only a means to an end. What has the industry got in this budget? Let us examine the proposals one by one. Of the items which are reclassified in the schedule filed by the Minister of Finance, there are six which directly affect the fishing industry. The first item is oakum, which enters into the caulking of boats and of ships. This was duty free before and it is free now. The second item is sails for boats and vessels and the duty on those is absolutely unchanged. The third item is sail twine and in this there is a reclassification. The duty under the British preference is lowered by some five per cent, and the duty under the general tariff is raised by some five per cent. The fourth item is oil clothing, in which I believe there is a general reduction of five per cent under the British preference and the intermediate tariff. A peculiar feature about that is that the larger portion of the oilclothing used by fishermen in Nova Scotia at least, is manufactured in that province, and if there is any cut in price, it will affect an industry which that province is struggling to maintain. The fifth item is aluminum

floats. I will confess that when I read that the duty on aluminum floats was to be removed, I thought, as the cut was substantial, the fishermen were going to derive a real benefit. I had spent most of my life along the shore and I had never seen an aluminum float, but I thought someone else might have and so I sent a telegram to the president of the fishermen's association at Canso in the county of Guysborough, Nova Scotia. That gentleman has spent his life on the sea; he has fished both in this country and out of Gloucester, and this is the telegram which I received from him:

Aluminum floats not used in this part of the province. Never heard tell of them, never saw them.

Possibly the government is in advance of the times and is endeavouring to introduce them, but it will certainly be a change if it is.

The last item under the tariff affecting fishermen relates to gasoline engines and engine parts for fishing boats. The reduction is five per cent under the British preference, twelve and one-half per cent under the intermediate tariff and twelve and one-half per cent under the general tariff. That again looked like a substantial reduction, but I draw the attention of the house to the fact that the reduction is not on engines but only on the complete parts of engines. Engines were formerly admitted at the same rate at which these parts are now being classified, so that the net result is that this change can benefit only those who have engines made outside of this country and who require complete parts for them. It is a matter of ordinary deduction that if this is going to be of any great benefit to the industry, there must be a substantial number of these engines. I took the trouble to look into the figures and I found that there are in Nova Scotia about 6,200 gasoline engines in use in fishing boats. I found further, upon investigation from a reliable authority, that less than fifteen per cent of those engines had been manufactured outside of Canada. Therefore any benefit that would accrue would be to less than nine hundred people who own the nine hundred engines constituting less than fifteen per cent. I was amazed to find that practically all those nine hundred engines had been manufactured by a United States company which has ceased to do business in that particular type of engine, and carrying my investigations one step further I found that gasoline engines manufactured in Nova Scotia sell to-day for less than those manufactured in the United States. That is another of the benefits handed to the fishermen of the maritime provinces.

Mr. RALSTON: Has the hon. gentleman not had strong representations from the fishermen of Nova Scotia asking that engine parts be put in the same category as engines with regard to duty?

Mr. ERNST: I was an attendant upon the royal commission for probably three-quarters of their sittings in Nova Scotia. The other quarter I was not present. As I recollect, only one individual, Mr. Daniel Fleet at Louisburg, asked for any reduction. Others may have done so, but I have no knowledge of them. I am not complaining about the reduction; what I am pointing out is that to an industry which is crying out for bread, this government is giving nothing but a stone. This industry requires assistance and this is only a gesture, a mere nothing. The fishing industry in Nova Scotia is in a difficult state. In a year of reclassification it was looking to the Minister of Finance to make some changes in the tariff, and one of the changes for which it was looking was a reclassification of the tariff item relating to the present duty on fish. There is to-day a duty of one-half cent per pound on fish imported into this country, or on fish landed, other than those caught by fishermen in Canadian fishing vessels. To put this in another way, the man who fishes in Canadian fishing vessels lands his fish in this country duty free; all others are expected to pay a duty of one-half cent per pound. The fleet in Nova Scotia consists of eleven trawlers manned by about 250 men and of about 15,000 odd fishermen who fish by hook and line. Of the eleven trawlers, five are or purport to be owned in Nova Scotia and six are owned outside of this country. Those six trawlers may not always be the same six because they come and go. They return to the country whence they came and others come here, but not one trawler coming from outside of this country has ever paid a fraction of a cent of duty on any fish landed by her in Nova Scotia. I was amazed to find this out, and when I wrote to the department asking why such was the case, I was informed that these fish were being landed duty free because the Department of Justice had given a ruling that a ship coming from abroad and chartered to a Canadian company was a Canadian fishing vessel. I know that in its application this is applied largely to trawlers coming from Great Britain and flying the British flag, but I should like to point out to hon. members that the provision in the customs tariff is that only fishermen who fish in Canadian fishing vessels can land their fish in Canada duty free. In other words, the word "Canadian" has a distinctive meaning; it means Canadian and nothing else;

it does not mean British. To carry it to its logical conclusion, let us say that a Norwegian fishing boat comes over here and is chartered to a fishing firm in this country. Under the ruling of the Department of Justice she would be equally entitled to land her fish duty free. Now how can she be a Canadian fishing vessel when under the Merchant Shipping Act and in accordance with international law she is still a Norwegian boat? But even assuming that the Justice department were right when they ruled her to be a Canadian fishing boat, there is another consideration.

The officials of the Department of Marine and Fisheries know, or they ought to have known, that those boats are not chartered at all. What is done is this, that the corporation —there were three, and two have latterly been concerned in the province of Nova Scotia— does not enter into a charter in the ordinary sense of the word, but it enters into an agreement to purchase the fish which that trawler may land at a certain pre-determined price. For instance, during the month of October they may agree to pay two cents a pound for the fish landed at a certain port. The trawler goes where she will, she comes and goes as she will, she is complete mistress of her own destiny, except that she knows when she lands her fish she is going to get a certain price for them. So there is no charter in the sense in which the word charter is understood legally. There is subterfuge and evasion. All the fish landed by these trawlers should have been subject to duty. They have been taking bread out of the mouths of Nova Scotia fishermen for years to the knowledge—at all events the department ought to have had that knowledge—of the Department of Marine and Fisheries and the Department of Customs.

Mr. STEWART (Edmonton): Are these chartered Canadian companies in Nova Scotia, that is, the companies that purchase the fish?

Mr. ERNST: I believe that two hold Nova Scotia charters, and as to the third, I do not know whether it has a Dominion or a Nova Scotia charter. But I do know this, that in their relationship with these trawlers there is no charter party in the sense in which a charter is understood. Those trawlers are controlled entirely by the foreign agent who resides in Nova Scotia and pays the men. They have no connection with the company whatsoever. Sometimes it is true the English company, or the company which sends the trawler to this country, sets up a man of straw, a Canadian, to whom they charter the vessel, and the Canadian then enters into an agreement with the fish company, but that is all done for the purpose of evasion of the Customs Act, and amounts in substance to defrauding the people of Nova Scotia, particularly the fishermen, of the living which is coming to them. These six trawlers catch the equivalent of what roughly twenty-five hundred fishermen would do, so practically twenty-five hundred fishermen have been deprived of their living year in and year out through the illegal action of these trawlers which have been landing their fish duty free.

I wish to say to the Minister of Finance that the first thing which the fishermen of the province of Nova Scotia are interested in is this: They are interested in having that abuse righted. This was a year of tariff reclassification, and they may very properly have expected the Minister of Finance in his broad reclassification to include this item 9 under the customs tariff, so as to compel these trawlers which come here for a season and then go to pay the duty which they ought to pay when they land their fish in Nova Scotia.

Mr. RALSTON: Do I understand my hon. friend suggests there are some companies which have merely a nominal charter or an arrangement which is not a charter? Will he kindly give the names of those companies?

Mr. ERNST: I shall not divulge the names of those companies on the floor, but I will say to the hon. member that if he will look up the evidence of Mr. Wilson given at the hearing of the fisheries commission held in Halifax he will find there evidence which will substantiate everything I am saying:

Mr. RALSTON: That is S. Y. Wilson?

Mr. ERNST: Yes; the hon. gentleman knows to whom I refer. I say further to the Minister of Finance that there will be disappointment over the whole coast line of Nova Scotia that the government apparently has not had the courage to grapple with this problem. The inference will be drawn, rightly or wrongly, that it has not had the courage because the officials of these companies support this government. That may be a wrong inference; I hope it is, but I do hope for the sake of the fishermen of Nova Scotia that some redress will be given during the present session.

I fear that it is going to be too late to have an adequate discussion of the report of the fisheries commission when it is tabled, but I do urge upon the government that immediate action is necessary. We are going to lose large numbers of our men to the United States during the coming summer unless something is done. Something must be done,

and must be done during the present session. I do not intend any remarks or any suggestions that I now make to be exhaustive. The subject is too large for any one man to cover adequately. I do want, however, to make a few suggestions to the government in connection with the fishing industry of the province of Nova Scotia, and I make them now because I believe that a full discussion of the fisheries' commission report will not be possible during the session.

In the first place, scientific research needs to be intensified. We have, it is true, a biological station at Halifax. While it has achieved valuable results, it is only scratching at the surface of a great problem. The research needs to be intensified, and the fruits of that research need to be brought home in a practical manner to the fishermen.

The next thing which needs to be done is to have the fishermen organized along co-operative lines so that they will not buy in the most expensive market and sell in the cheapest. Hon. gentlemen opposite have always used this expression as a sort of dogma, and they now have a chance to give their views practical application and enable the fishermen to organize cooperatively.

In the next place, market development is necessary. I know that a campaign has been carried on to educate people in the use of fish, but that campaign has not been adequate, and it needs to be re-started on a more intensified scale. Coupled with it there needs to be improved transportation facilities to get fish to market in the proper condition. The system of collection boats has been started at places along the coast. That system needs to be extended to cover the whole coast line wherever people are unable to get their products into the nearest market.

Standardization, inspection, and grading of the product which comes on the market is the next essential. The consumer, in order to make him a permanent customer, needs to be assured that he is getting the best article obtainable, and these products should be graded, just as are other products, by government inspection.

The next necessity is the perfection of a system of storm signals and bait reports. The Minister of Marine and Fisheries has, I see by the papers of Nova Scotia, offered to inaugurate a system of storm warnings. The same despatch, which emanated from Ottawa, stated in effect that that was due to the insistence of the hon. member for Antigonish-Guysborough (Mr. Duff) on the floor of this house. I have not heard him myself, but I hope that he has done something towards getting this from the minister, because it is a step in the right direction. I was also pleased to learn that seventy-five vessels of the Lunenburg fleet are equipping with radio to prepare themselves for receiving the broadcast weather reports. But this is only a beginning. The Louisburg station may not be sufficient. It may be necessary to broadcast from five or six stations in the provinces in order to give complete reception at sea. There have been no tests to determine whether you can hear Louisburg at a particular point or not. It should be started on a larger scale. The commercial station at Halifax and the station at Moncton should also broadcast the storm warnings and as well there should be included a system of bait reports to tell the fishermen at sea where the nearest point is at which they can obtain bait when they need it.

In the next place, provision for giving fishermen information as to market quotations is a necessity. In very many isolated districts to-day there is no such provision, and the fisherman does not know if he is getting a fair price for his product or not.

Lastly, and as I say, I do not mean these suggestions to be exhaustive, there should be developed a more intimate association between the ministry, or the department administering the fisheries, and the fishermen. In the past that department has been administered by the Minister of Marine as a subdivision or branch of his department. It is the unanimous opinion of the people of Nova Scotia—and I believe the other provinces agree—that the only effective way to administer the department is to sever it completely from the Department of Marine and to place it under a responsible minister. Then, and then only, will we get that intimate touch which is necessary for the industry to prosper and improve.

Now, Sir, I have given these only as suggestions, but I give them because, as I said, immediate action is necessary; something must be done to save an industry which has great potentialities, an industry which ought to grow and prosper, but which to-day is decaying and dying. And I may say that in any references which I have made to the province of Nova Scotia I have not been actuated by any feeling of depression or any lack of faith in her future. I believe she has a wonderful future if a lead is given in governmental policy; but in so far as this present session is concerned, as revealed by the budget, to which we look at least for some intimation as to the policy of the ministry, it is exceedingly barren. We who come from Nova Scotia are appealing: first, for a national fuel policy and protection for steel to enable our

coal and steel industries to grow; secondly, we want a home market for our agricultural producers—that is, we want the hardship entailed by unfair competition from abroad removed and that market saved for our own people; thirdly, being the gateway of Canada, we want a fair proportion of the trade of Canada to go through our ports; fourthly, we want for our diversified manufacturing industries encouragement and protection where necessary—not the protection which will enable them to profiteer, but the protection which will enable them to live in certainty for the future; and, lastly, we want for our great fishing industry, an industry of inexhaustible resources, a chance to grow and prosper. I believe, Sir, that if we get these things to which I have drawn your attention the dream of Joseph Howe will come true:

That the day will come when Nova Scotia, small as she is, will maintain half a million men upon the sea.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. JULES-EDOUARD PREVOST (Terrebonne) (Translation): Mr. Speaker, in the brief time allotted to me, I wish to make a few remarks which may be considered as thoughts suggested by the budget rather than comments on the budget proper. And this is the reason: It seems to me absolutely unnecessary to praise the budget which was presented to us by one of the most popular finance ministers that Canada has ever had. On this side of the house, a number of speakers, financial experts, have sung its praise so highly and with such competence that I deem it useless to begin over again. The more so, as I feel that the task would be for me difficult. In regard to the opposition, their thoughts on the present budget, as expressed in their amendment, are so hazy and indistinct that one is obliged to look elsewhere to discover the real views of the government's opponents on the important political questions in Canada.

Mr. Speaker, it is interesting to note that the program of the Conservative party—in so far as they have one—must, to measure up with the thoughts and ideal of the Canadian people, unavoidably resemble the Liberal program. I could furnish numerous proofs to this effect. The attitude of the Conservative opposition on this budget is a further evidence.

It has for ever so long been admitted that politics is the science of concessions. This is especially true in a country as extensive as ours where government is so difficult and complicated owing to differences in situation, nationality and religious belief. Conservatives and radical Progressives—I mean those members of the opposition on the extreme left—object to this budget on totally different grounds, more than that, for reasons which are contradictory to, and exclusive of, one another. The Conservative amendment and the sub-amendment emanating from the extreme Progressives therefore clearly define the difficult situation that the government of this country has to face.

The happy medium policy, so consistently advocated by Laurier, is still the policy of the present government. It has been battered by extremists. However, it is still the policy needed in this country and the one which must eventually triumph as it does at present. This is so much the case that extremists of all shades are forced to admit and submit to it when they wish to attain practical results, face realities and the duties entailed by the latter.

Let us for the present consider the Conservative party only. The stand taken by them on the budget indicates fully well that they do not dare any more to boast of those great principles which they so loudly proclaimed, and that, not so long ago; very meekly and only to save appearances do they oppose in their amendment the policy of the Liberals. In the amendment to the budget moved by the hon. member for St. Lawrence-St. George (Mr. Cahan), we find a weak, vague, lifeless, wavering and uninspired criticism; in that amendment, I say, we find the obscure policy inspired by the great Conservative convention held at Winnipeg in October last. This solemn congress brought together the entire forces of the Conservative party for the purpose of choosing a leader and defining their program. In the resolutions of this congress, the outcome of elaborate discussions, are to be found the obvious proof that the Conservative party cannot adopt a policy which suits the Canadian people without falling into line with the Liberal program. The resolutions adopted at that convention regarding the numerous issues with which the country is faced, in no way throw new light on our problems, but, under various forms, they endorse the policy adopted and put into practice by the Liberals.

Let us first examine the tariff question which for fifty years was their great battle steed. The tariff resolution passed at the Winnipeg convention, is indeed an abandon-

ment of the Conservative policy. It is a complete surrender and the opponents of the Liberal policy herewith lay down their arms. That party which for many years past has been lamenting to the four winds, moaning on the sad plight of industries ruined by the Liberals; these Conservatives who for ever so long have never ceased, both in their wild speeches and subsidized press, exclaiming that the tariff taxes were too low, that the Liberals had lowered them too much, that our markets were being swamped by foreign products, that the King government were too indifferent, guilty, criminal and unpatriotic, because they did not raise the tariff walls as it is done in the United States and elsewhere, finally these Conservatives at a large and solemn meeting gathered to issue their program, what do they do? Listen to them: "the convention glories in the historical and fiscal policy of the Conservative party."

Let us admire this new and timid phraseology on the lips of Conservatives. They dare not even mention the word "protection" of which their orators gargled their throats during fifty years.

Listen to them again: "Our tariff should from time to time be revised". But what becomes then of this stability loudly proclaimed and which was set up as a dogma?

The resolution then asks for a tariff commission—which after all the Liberals have established and will maintain. The resolution further demands a preferential tariff for the empire, which should neither be detrimental to the farmers nor the workingmen and includes the utilizing of Canadian ports—for ever so long these things have formed part of the Liberal program, and already an essential part of it has been realized. That comprises all. It is all the Conservative party mentions and demands as regards the tariff.

As you are aware, sir, therein is to be found the Liberal policy. The Conservative party ceases to be strictly uncompromising on the tariff question, they are willing to make concessions which in the past they refused indignanatly. The time is no more when protection, high protection was the Alpha and Omega of the Tories' policy!

At that time, it might have been said with reference to that policy always claimed by the Conservatives as the remedy for all evils, what Sydney Smith said of the Electoral Reform sought in England between 1815 and 1830:

> All young ladies will imagine—as soon as this bill is carried—that they will be instantly married. Schoolboys believe that the Gerunds and Supines will be abolished, and the Currant Tarts must ultimately come down in price; the Corporal and Sergeant are sure of double pay; bad Poets will expect a demand for their epics; Fools will be disappointed, as they always are.

This bubble has been pricked by the Conservatives themselves.

How far remote we are from the noisy and violent Conservatives' outbursts of 1925 and 1926! After having tried to stir up the country against the Liberals whom they charged with ruining the national industries, the Conservative party in their so-called program, which was concocted in Winnipeg, have neither more nor less rallied to the Liberal standard. They acknowledge its superiority, since they cannot do otherwise than follow in its footsteps and copy it. That party admits that there is no more place in our country for high protectionists, doctrinaries and extremists. It is exactly what the Liberals have thought for a long time past, to the great horror of the Conservatives.

The Liberals have taken the lead and the Conservatives are but following them. In fact, the Liberal party was the first to grasp that the tariff should be supple and flexible, capable of adapting itself to new needs and various circumstances in which the country finds itself.

Owing to a moderate tariff policy and a sound opportunism, the Liberals, while lightening the burden of customs duties, have stimulated the development of Canadian industries, especially those which depend on our natural resources.

Again do I state, the tariff policy of the Liberals was strongly opposed by the Conservatives who, to-day, accept and adopt it. The Conservative party, especially after 1921, taunted the Liberal party, in whom they feigned to see an enemy of industries and a slave of the west. All the leaders of the Tory party, in this house, on the public hustings and in their press, have violently denounced the Liberals who, according to them, are traitors to the true interest of the country, selling the east to the west, etc.

Why did they sound the alarm? Simply because the Liberals believed that a party, and therefore more so a government, cannot and must not favour especially one part of the country, one section or one class; that a tariff, while protecting our industries, must consider the producer, the farmer and the consumer. This is what, at present, the Conservative party demand, if we are to put faith in the resolution on the tariff adopted in Winnipeg. Really, the Liberals have been well avenged.

The Conservative party which dilly-dallied in an out-of-date policy and sterile criticism, now change their plans simply for election purposes. On the other hand the Liberals are but adhering to a policy which they have always advocated and from which Canada has largely benefited.

Political history tells us that the Liberals were able to apply protection in a more practical way than the Conservatives who, for half a century, boast of having given it birth. The present Liberal government continues to carry out the beneficial policy adopted by the Laurier administration which gave Canada fifteen years of great prosperity.

The Conservatives by more or less adopting the Liberal policy, acknowledge the excellent bases of this policy which demands rather a wider protection than a higher one, thus benefiting all classes in this country and not only a few favoured and privileged groups.

Some hon. MEMBERS (Translation): Hear, hear!

Mr. PREVOST (Translation): The same may be said, Sir, with regard to the important problem of transportation. For the maritime provinces as well as for the western provinces and centre ones, what can the Conservative party suggest which the Liberals have not already accomplished or begun?

Without gainsay, transportation is one of the most important political questions.

Since the Liberals are at the helm of the country's affairs, they have given close attention to this question and have made an effort to solve these difficulties with which it is surrounded.

The freight rates from east to west and west to east, the famous agreement of the Crowsnest pass, the transportation of our enormous crops from the west to Canadian ports, the interests of the ports of Quebec and maritime provinces threatened by too high freight rates, all these aspects of a complex question, where various interests come in conflict, have been closely studied by the King government.

Since the Liberals have assumed power, excellent reforms have taken place in the freight rates affecting the maritime provinces, as well as the western and centre provinces. A solution has not yet been found for all the difficulties which unavoidably beset a system of transportation across a country as vast as ours. However, we are on the path which leads to a complete solution of this difficult problem.

The country is indebted to the Liberal government for the efforts made in order to improve conditions and for the excellent results already obtained.

[Mr. Prevost.]

Wishing to foster in this country union and peace, without which a true national spirit cannot exist, the King government listened with an open mind to the complaints and grievances which rose from the various parts of the Dominion. Defying prejudices, so easily roused by opponents, and influences of powerful organizations which attempt to enslave Canadian politics to their egotistical interests, the Liberal government turned towards the east and west to render them justice each in their turn.

The Conservatives, naturally, highly criticized the Liberal government. But what do they intend doing to solve the transportation problem? The resolutions of the Winnipeg convention apprise us that on the transportation question, as well as that on tariff, the Conservatives are quite satisfied in rallying themselves to the Liberal policy.

Is the west concerned? The convention asserts that the Conservative party pledges itself to maintain as a maximum the present freight rates on grains and their products. When it is a question of the maritime provinces. The convention asserts that the Conservatives "approve and pledge themselves, when they return to power, to put into force legislation which will carry out the Duncan report." Now, as everybody knows, it is exactly what the King government is doing.

Is it a question of the Canadian ports? The convention asserts "that the policy of the Conservative party is to promote, through Canadian ports, the transit of Canadian products and imported goods for the use of Canadians." This, as we all know, is the policy put into practice by the King government. In fact, by reducing the freight rates, it favours the ports of Quebec and those of the Maritime provinces; moreover, it has lowered the customs duties on goods entering the country through Canadian ports.

Is it to the Hudson Bay railway that reference is made? The convention asserts, that the Conservative party pledges itself to complete it without delay and build a terminus and suitable port."

Is it a question of the national railways? The convention asserts "that the Conservative party pledges itself to keep the national railway system free from political influences." Well, that is acknowledging and approving what was done by the Liberal government which placed the management of this railway system in the hands of a highly competent man, and who, free from all political ties, has made it a great success.

So far as the transportation problem and the tariff are concerned, the Conservative party sails in the same boat as the Liberal party.

It offers nothing to the Canadians which is personal, new, special and superior on questions which agitate Canadian politics.

Whether it is a question of tariff or transport, of social legislation or administrative reforms, the Liberal party has always kept in sight Canadian interests, and has endeavoured to have these national interests dominate over the narrow views of parties and groups.

Its broadminded policy on national unity was first ignored by the Conservative party which brands it, for instance, with sacrificing the east to the west, of selling the east to the Progressives. We still hear, in certain quarters of the Tory press, the faint echoes of this violent denunciation of 1925 and 1926. But now the Conservative party is preparing to also turn their back on their past. The selection of Winnipeg for its convention of last autumn is quite an indication, one moreover discussed and explained in a very lucid manner by the former temporary leader of the Conservatives who, with an unexpected gracefulness, turned his back on the east and opened his arms to the west.

Mr. LAPOINTE (Translation): Hear, hear!

Mr. PREVOST (Translation): Once more, the Conservatives vary their tactics. In a rather clumsy way and without tact, they endeavour to follow out the Liberal policy and gain favours from the west. However, what the Liberal party has always done, under Laurier and Mackenzie King, from conviction and love of national unity, the Conservative party does it, to-day, for election purposes. This tardy expedient to which it has recourse is so repugnant to its past history that we have a right to suspect its sincerity.

Let us now consider the so important question of imperialism and our imperial relations.

The Conservative party did not state its policy at the Winnipeg convention, on our relations with the empire as regards our participation in wars and the military or naval defence of England and its possessions in all parts of the world.

Notwithstanding the famous intervention of Mr. Meighen, the convention neither endorsed nor disavowed the statement of the ex-prime minister. So that in the event of Canada being called upon to participate in an imperial war, we do not know what would be the Conservatives attitude. Would they make an appeal to the people before taking a decision, as advocated by Mr. Meighen or would they choose the policy of immediate action which is thus expressed: "Ready, aye ready" and which was proclaimed by the same Mr. Meighen at Toronto? The country has yet to learn.

The convention remained silent on this important and serious aspect of our policy.

In beautifully couched phrases, the convention expressed the Conservative party's loyalty to the crown. "In words no less beautiful it rejoiced in the powers and freedom of action that Canada as a nation has attained." It ends there. Really that is very little. These are but words, and very vague at that. We must wait and hope that the Conservative party will prove by their actions the sincerity of its Canadian and autonomous sentiments. I well remember several circumstances of their not acting in accordance with those sentiments. For instance, when they rebuked the King government for having concluded with the United States a treaty which bore only the signature of a Canadian minister and thus having insulted England and its ambassador at Washington.

The imperial spirit which has guided the Conservative party in the past is well known. It has brought on legislation, struggles, regrettable acts which form part of our political history. To-day, even with a program overflowing with pleasant words and pompous statements on Canadian autonomy and equality of races, I think that this is insufficient to reassure us on the course the Conservative party will take. Time alone will tell us whether this party has freed itself of the influence of Tories, Orangemen and jingos who have guided it heretofore.

Canadians who are lovers of peace, union and harmony—French Canadians are of that number—do not wish to be unfair to the Conservative party, but they do not wish either to be imposed upon by the politicians who for too long a time acted as generals for that party.

The French Canadians especially have grounds to be prudent and cautious. They have not yet forgotten those waves of fanaticism which have embittered Canadian life, and from which they had so much to suffer. They are not yet ready to forgive the Conservative party for its odious Elections Act during the war. Their pride as well as their true love of national unity forbid them to confide without reserve in the guidance of a party which allowed them to be vilified far too long by its principal newspapers and which have still as allies, to-day, leaders of leagues who batter at the principles which guided the fathers of confederation, by advocating one single language for this Dominion.

Truly, the Conservative program, evolved in Winnipeg, offers no serious guarantees that the imperialists and Orangemen have ceased to have the upper hand in the Conservative party.

The true Canadian policy, the one that looks to the future, is in the hands of the Liberal party. The Conservative party cannot adopt any other without drifting away from the expressed will and wish of the nation.

To-day like yesterday, the Liberal idea is at the basis of all reforms which benefit the people. The Liberals take pride in this beautiful tradition. Loyal to the crown, yes, indeed, they are, but they are first Canadian citizens, jealous of their freedom and autonomy.

The Conservatives, with or without the Orangemen, will be forced to rally to this policy or resign themselves to wallow in their helplessness and unpopularity.

The fact that the Conservatives cannot adopt a suitable program for Canada without incorporating the main features of the Liberal program, is a homage to that program and at the same time a lesson to the Conservatives, who have set aside the best traditions of their party and have too often forgotten that Canada is invincibly and irresistibly forging ahead towards her great national destinies.

Mr. A. E. ROSS (Kingston): Mr. Speaker, in continuing the debate on the budget I think it can be safely stated that it is one of the duties of a government to have an exact knowledge of the natural resources of the country. For this purpose the government is divided into departments, each department having a head, in order that a special study of some particular branch of the question may be carried on. It is equally a duty of the government to know the people of the country, to learn their racial characteristics, their aptitude for special work, their tendencies and their aspirations in order to work these people into the development of the natural resources in such a way as to apply their special characteristics to the task. If one were to study this budget to ascertain the policy followed by the government in its preparation, one could find nothing of this kind at all. The government, through a knowledge of the natural resources and a knowledge of the people, should be able to formulate a national policy in the national interest, but if this budget is studied nothing of that nature will be found. The government should be able also to show an adherence to whatever policy may be formed, but a study of the last few budgets will show that this King government adheres to no policy. A party which is pleased one year will be displeased the next year, and so you have nothing but a characteristic shuffling of policies to keep the party in power instead of a national policy in the best interests of the country.

We can go even further. We find that this government ascribes a great deal to Providence; they are still trusting in Providence. If a man wants a job he has to trust in Providence rather than in this government. In the city of Ottawa, as in many other cities, the unemployed are still trusting to Providence and the occasional snow storm to give them a job if even only for a few hours.

Now I would like to speak for a moment with regard to how this budget affects or does not affect my own constituency. Others have spoken along technical lines and have taken up the different features of this budget; we had a splendid address this afternoon showing its effect on Nova Scotia, and now I would like to deal with certain matters connected with that section of the country from which I come. The first question with which I will deal is that of the feldspar industry. In the county of Frontenac is found the finest type of feldspar in the world, and quantities of this ore are also found in different parts of Ontario and the eastern United States. It is interesting to note the facts with regard to this ore and to see how this government is proceeding to develop that natural resource. Feldspar is employed in a great many industries; it is used in the ceramic industries, in the manufacture of porcelain and tiles as well as the making of certain glasses; thirty-one mills are located in the United States for the grinding of this ore. The rough ore is admitted free, while a 30 per cent duty is placed against ground ore in the United States. With the best ore it is possible to get, Canada has only two mills, and that deplorable fact can only be explained by the indifference of this government. One of these mills is located in Kingston, while the other is in Toronto; these are able to take care of the requirements of this country at present, but if they were given the same treatment by this government as is received by this industry in the United States, the situation would be greatly improved. If instead of the 30 per cent duty on ground ore we had even a 15 per cent duty, these mills would double their capacity and double the number of their employees. This matter was brought before the tariff advisory board, but received no consideration whatever. I believe the government should take it into consideration and give these two mills at least one-half the protection received by the United States mills.

The situation is very similar with regard to mica. In Quebec and Ontario we have mica ore of the very finest quality, but we do not help this industry as the United States helps the mica industry of that country. When the ore is taken from the mine in Canada and sent to the United States unwashed and with no labour expended on it, it is admitted free, but just as soon as there is any Canadian labour applied to it the duty begins, and it ascends from that point. In other words, the intention is to provide work in the United States by taking that work away from Canada.

Another question which should be considered by the government is the application of the vegetable growers for consideration. It may seem strange that the representative of an urban constituency should speak on behalf of the vegetable growers, but I believe we in the cities realize that if you have a prosperous urban community you will have a prosperous rural community and vice versa, because the two things cannot be separated. There are a great many people throughout Canada engaged in growing vegetables, and they certainly should receive some consideration from this government. The vegetables which would be affected most by any duty would be those which might be called the rich man's vegetables, and in that case he can well afford to pay for them, but in any event, this association of vegetable growers should receive consideration from this government, which they certainly do not now receive.

For a number of years, in connection with providing more work throughout Canada, I have brought to the attention of the government the question of the direction of steamship companies. The United States will not permit a board of directors to have Canadian representation, while in Canada it is only necessary to have one Canadian representative, which gives to these Americans the control of our shipping and takes work away from our Canadian sailors and steamships. In the same way I brought to the attention of the government the question of repair work on damaged ships. When an American boat is damaged in Canadian waters it is taxed 50 per cent for the necessary repair work when it returns to the United States, while Canada only charges 25 per cent. Therefore, under these regulations, no work will be done to American bottoms on Canadian shores.

Another item in the budget which interests my constituency is the small protection given for the manufacture of locomotives and other machinery required in the mining industry. If there is one industry in Canada which should be supported by work done in Canada it is the mining industry. The Canadian Locomotive Works in Kingston have started to manufacture locomotives, engines and other things required in mining, and I would ask the government to see that this industry is given a little more protection than is provided by this budget, in order that this work may be carried on in Canada.

There is still another matter to which the budget does not refer, but which is of primary importance in our section of the country. I refer to the St. Lawrence development. Eastern Ontario is somewhat divided in this matter, and while I believe everything that can be said has been brought out, I would like to draw the attention of the government to the fact that the development of the St. Lawrence is not only an engineering question but that it is also a question of navigation, and the advice of navigators and marine men should be taken into consideration when considering whether or not this great work should be proceeded with.

After having referred to these local matters I would like to say a few words on the budget as a whole. One would naturally expect a certain amount of independent criticism from the other side of the chamber, especially since we have across the way an independent wing which moved from this side of the house, led by our good friend the Minister of Immigration and Colonization (Mr. Forke). More especially would this independent criticism be expected since on more than one occasion the Minister of Immigration has expressed himself very strongly from the front benches of this side of the house. I would like to ask him how he views this budget to-day, in the light of what he said in past years. Let me speak more specifically. In 1924 he declared that the budget should be a financial statement showing the commitments and liabilities of the country so plainly that the man in the street might easily understand it. If the Minister of Immigration believes this budget to be so plain that the man in the street can understand it, he has acquired since crossing the floor a wider viewpoint than he had while on this side of the house. In 1923, while leading this independent wing, the same gentleman expressed himself very strongly and moved an amendment to the budget which contained two things. First, it advocated the readjustment and extension of the income tax, to bear more heavily on unearned increment, and then it suggested the increase of excise and other taxes on luxuries. Now, for two years the minister has sat on the other side of the house and watched his principles trampled to the ground without

once raising his voice in their defence. We can understand the feelings of those hon. gentlemen a few years ago when the first desertions from their camp took place; two gentlemen, finding no support for their principles on this side of the house, crossed the floor. They took their places on the back benches, and we all remember how the tears rolled down the cheeks of the present minister that day, as he denounced the treachery that had occurred in his camp. It was very sad; his chief whip and the chairman of his caucus went back on him. But where does he find himself to-day? Where but in the arms of these gentlemen. He has now gone to the support of his chief whip. I would like to draw the attention of the house to one very significant fact, however. When those two deserters crossed the floor of the chamber they took their places on the back benches opposite, but my hon. friend the minister has got as close to the front as he can possibly get, and for what reason? Someone says for ten thousand reasons, but at least we know that he has entirely divested himself of the principles he espoused while on this side of the house.

Mr. MILLAR: May I ask the hon. gentleman a question?

Mr. ROSS (Kingston): I have not come to the hon. gentleman yet; if he sits down I will reach him in due time.

My friend the minister made another statement in dealing with the necessity for the existence of this independent wing. He said they were absolutely necessary to this country, and made use of the following words:

> There will be no turning back; we have our faces to the rising sun...

Apparently it does not matter where the sun is now that the principles have gone. This budget is representative of a government composed of elements united for power alone; elements which have discarded their principles and which have divested themselves in a few short years of all conscious adherence to those principles which could possibly form the foundation of a national policy tending to develop the whole country into one great unit. The budget has nothing whatever to offer to the working man. In defence of the budget it has been said that there is a good deal of prosperity in the land. If that be so I should like to ask this question, and that is all I am going to say on the prosperity: If this is a prosperous country and the people are conscious of it, if the people in the old country are conscious of it, and we have a Minister of Immigration trying to bring immigrants to this prosperous country and they do not come, what is the conclusion? It must be one of two things: Either the country is not as prosperous as the government claim or the minister has fallen down on the job.

An hon. MEMBER: Both.

Mr. ROSS (Kingston): An hon. member says "both". Well, the government can settle for themselves which it is.

The government claim that they have reduced the debt of Canada. That subject has been well threshed out, but I have failed to hear any member of the government explain why there is an increase in the railway debt greater than the supposed reduction of the national debt. I am not going to discuss the matter any more than to cite figures which have been repeatedly given. According to their own figures there has been a reduction of $105,000,000, and then turning to the official report of the national railways you find an increase of indebtedness amounting in round numbers to $158,000,000, showing that not only has there been no reduction in the debt but there has actually been an increase of approximately $53,000,000 during the time this government have been in power.

I wish to turn now to a matter which has been already fully discussed but upon which I wish to say a few words. The treatment which this government have given the woollen industry is very marked and is characteristic of their attitude toward this branch of commerce. If we study the history of the woollen industry we will find that for some unknown reason the Liberal party have been always antagonistic to it. The following figures will amply demonstrate that: In 1885 there were 241 mills, 460 cards, 2,062 looms in this country. In 1897 there were 236 mills, 477 cards, and 2,120 looms. Then came the Liberal policy, and the next figures we have are for 1907 when, owing to the tariff of the Liberal government, the mills had been reduced from 236 to 148. In 1912 they had dropped to 78. During the few years that a government favourable to the industry was in power the number of mills increased, but owing to the policy of the Liberal government for the last few years the number has been reduced until it stands at, I think, about 59. I should like to draw this supposition to the attention of the government in connection with the admission of free yarn. If one manufacturer sends for yarn to a country outside of Canada he says practically to his employees: I have no further interest in you. I will close that branch of my industry dealing with yarns and I will make more progress. My industry will go on, but I will discontinue employing the

labour in connection with the branch in question. Now if one manufacturer takes that stand and imports his yarns what will be the result? Every other manufacturer in Canada will do the same. The Minister of Trade and Commerce (Mr. Malcolm) shakes his head, but I will guarantee that is the very course they will pursue. Every other man in the yarn business will have to import his yarn in order to compete with the manufacturer who first adopted that policy.

Mr. MALCOLM: My hon. friend realizes, of course, that free yarn is only intended for one class of the industry.

Mr. ROSS (Kingston): That is what I mean. I am only referring to one class. I do not know what would happen if it were pursued generally.

Mr. MALCOLM: A great deal of yarn is imported now.

Mr. ROSS (Kingston): That is all I wish to say in regard to that matter. I have said sufficient if I have shown what the effect will be upon one branch of the woollen industry. Every manufacturer in that branch will necessarily have to do the same as the other manufacturer who imports his yarns in order to compete with him. The result will be that the labour engaged in that particular branch will be thrown out of employment and, in effect, will be told by the government to seek work in the United States or wherever they can get it.

The government claims that it is reducing taxation, but we on this side do not agree that the claim is justified. When you reduce the income tax you affect, as was said to-day, only 116,000 people in this country. But when you retain your sales tax, the abolition of which we urge in our amendment, you are touching all the people in the country. The collection of taxation in this form affects the poor people to a greater degree than any other class. During its term in office the government has taken out of the people from this source $472,888,973. The largest amount taken from the people by the Conservative government was some $38,000,000. The present government took over $100,000,000 when it increased the sales tax to 6 per cent. We think the sales tax should be wiped out. Let me give the exact figures of the amounts which this government has collected in taxation of this character from the poor people of this country. In 1921-22 they collected $61,520,687.79, having increased the tax to 4 per cent. In 1922-23, they collected $91,262,254.13. In 1923-24 they increased the tax to 6 per cent and collected $100,980,076.80. In 1924-25 the government reduced the tax to 5 per cent—this is what they call reducing taxation—and they collected $62,795,183.84. In 1925-26 they collected $74,025,093, and in 1926-27 they collected $82,305,670, a total of $472,888,973 raised from the sales tax. They took this enormous amount of money out of the poor people of the country, and in view of the fact that they are making great professions of economy and that the present Minister of Immigration and Colonization when sitting on this side of the house demanded rigid economy, the government would be well advised to wipe out the sales tax. I should like to quote from a little article which I read the other day in regard to cloth, and if you want to substitute any other article of manufacture, it will meet the situation just as well. This was the policy adopted by England when she was labouring to get herself into a good sound position:

> Cloth is to be sold rather than wool, finished cloth rather than unfinished, the more highly worked cloths rather than the simpler fabrics, the dyed rather than the undyed, dyed with English colours rather than foreign colours, and all with the object that the subjects of the realm may take as much benefit as possible.

Mr. ADSHEAD: What is the date of that?

Mr. ROSS (Kingston): About 1714. That was England's policy and it is her standing policy to-day. I should draw the attention of the hon. gentleman to the fact that England secured her position through protection, and this is one of the policies that she adopted. This is another, which follows upon it, and which I would also ask the government to accept:

> That the importation of such goods as hinder the consumption of our own or check the progress of any of our manufactures is a visible disadvantage, and necessarily tends to the ruin of multitudes of people.

That is a policy which this government has absolutely ignored. The Minister of Agriculture (Mr. Motherwell) sits complacently in his seat while some other ministers put it all over his department with the Australian and New Zealand treaties. The result is that he rarely ventures to meet the dairymen's conventions or associations of this country because they have a few questions to ask him. He is an artful dodger.

In conclusion, I should like to say that if any country ever was blessed with an opportunity to formulate a national policy, this country is the one. No government ever had a better opportunity to evolve a policy that would be founded upon national interests. We have in Canada unlimited resources, any one of which will develop an integrated industry, and yet we are sending out our ores,

allowing these integrated industries to be developed on the other side of the line. To refer only to one that this government could well take in hand and work up into a big industry, I would mention the iron industry and in that connection this government have all the opportunities that any government ever had. We have deposits of iron ore in eastern Ontario and any quantity of it north of the great lakes, and yet in the last few years not one pound of Canadian iron ore has been mined or used. There are difficulties connected with other industries, but this is one which this government could well take in hand and work up into a great national policy. The same thing is true of the pulp and paper industry. Now is the time; if the government wait another five or ten years this opportunity will have passed, never to be regained by this or any other government to evolve a policy that will help in making this a great country.

The fishing industry has been allowed to dwindle away on both the Atlantic and the Pacific. This government are quite indifferent to the question; they have no policy on it, and in fact I should like to know what they have a policy on except whatever will enable them to gather in and to hold this independent wing so that they may remain in power. They should have some pity on this independent wing; they should give them a chance not to see all their principles massacred, but to see some of the principles which they had on this side of the house worked up on the other into a policy. But the government have surrounded them in front, behind, to the right, to the left, so that there is no escape for this poor independent wing. They have to sit there and listen in quietness to a crucifixion of all the principles they ever adopted on this side.

I would ask the government, therefore, that they should study the situation of Canada; that they should take hold of some one of these great natural resources and work it up into a national policy that will make Canada a good place to live in and that will give work to our people. If these resources were made use of, every man in Canada would have a job, the exodus to the United States would be practically stopped and, in fact, men would be looking to Canada and returning. We would have an actual return, not a mere fanciful fiction on paper. I have canvassed my constituency and all the country round, and I cannot find more than a dozen people or so who have returned. Deseronto and Trenton, which once were prosperous towns, are now almost off the map owing to the policy of this government. Families of eight and ten have gone away and I have not seen one of them return. I would therefore ask the government in their next budget to consider some national policy on some natural resource so as to make this a better country than they have so far made it.

Mr. MALCOLM LANG (South Timiskaming): Mr. Speaker, having just returned from a visit over the week-end to my constituency, I feel it is my duty and pleasure to convey to the Minister of Finance (Mr. Robb), the government and members of this house the general satisfaction which prevails throughout my constituency with regard to the budget which is under discussion in this chamber at this time. I had occasion to visit different parts of that great constituency and to speak with prospectors, miners, farmers, and housewives, people of all classes and people who have in the past been affiliated with all the different political parties, and in no case did I meet with any other expression of opinion than approval of the budget that was brought down and satisfaction with the wonderfully improved conditions which, they know, prevail throughout this great land of ours.

I wish for a moment to pay my respects to the hon. member for Kingston City (Mr. Ross) who has just addressed us. I have listened with a great deal of pleasure and attention to his speech, and I wish to compliment him and say that in my opinion he made a most wonderful address considering the difficult case which he tried to make out. I am going to refer first, if I may, to some of the arguments which he asked this house to listen to with regard to the mining industry, by reading from an editorial which appeared in the Northern Miner on Thursday last. This editorial appeared in this publication after the editor had time to study the effects of the tariff proposals upon the mining industry in Canada. This publication, the Northern Miner, is published in Cobalt, the centre of the constituency which I have the honour to represent. It is owned and edited by two brothers who some years ago came into northern Ontario to do pioneering work along with the rest of the people in that north country. One of them, prior to coming into the north country, had had some newspaper experience, and after staying with us for a short time and becoming acquainted with the possibilities, these gentlemen were able to get a job printing press in with which they started a printing plant about the beginning of the Porcupine camp in 1909 or 1910. This paper has grown and now has an extremely large circulation in all parts of Canada. It is read with confidence by everyone in this country and in the United States who has anything

to do with the mining industry or mining investments. It has built up a reputation for itself for honesty and for giving authentic information to the public. Its circulation is not confined within the borders of our country, but reaches out to every country that is interested in mining. It has a wide circulation in the United States and in Great Britain. Every man who has the slightest connection at all with mining knows The Northern Miner, of Cobalt, and looks forward to its authentic information about our Canadian mines. It is read in Europe, in South Africa, in the United States and every other country where the mining industry has a place. I think an editorial in its issue of February 23rd last will be of interest to members of the house and the country generally. It is headed, A Good Budget for the Mines, and says:

> Tax and tariff reductions announced by the Minister of Finance indicate savings to the Canadian mining industry of a million dollars a year. And the changes made will be particularly encouraging to a branch of the mining industry in whch Canada may be expected to take a leading part, that of treating complex ores, such as copper-zinc-lead-gold-silver ores, now shown so abundant in northern Manitoba, in Sudbury and in Rouyn.
>
> Among the interesting items in the tariff changes are those that admit free certain acids used in the treating of complex ores and which lower the duty on machinery and equipment used in concentrating and smelting. With several new plants going up these items are particularly interesting. Another reduction is in the duty on hoists of a type not made in Canada.
>
> The tariff changes were so framed as not to hurt the growing manufacture of mining machinery in Canada. This is becoming quite an industry, and one which is proving helpful to mining by reason of the ability of Canadian factories to quickly supply machines and parts of a kind suitable to Canadian needs. The government feels that in cutting the tariff on these items it will aid mining and not yet injure manufacturing.
>
> The Ontario Mining Association must have felt gratified to learn that five out of its six tariff recommendations were adopted. The sixth was not of great importance and because it was found to impose on manufacturing was not pressed.

That testimonial, coming from such a source, is to my mind, and I believe to that of every fair-minded person, a remarkable commendation of the Minister of Finance and of the government of the day.

Mr. GOTT: Give the credit to Hon. Charles McCrea.

Mr. LANG: Perhaps it is just as well for me to tell this house that the Northern miner is particularly friendly to the Hon. Charles McCrea and to Conservative governments as a rule. As I said at the outset, this paper has built up a reputation for honesty and for giving authentic information to the public in regard to the mining industry of Canada. It has been kept pretty well independent so far as party politics is concerned, but to my knowledge the owners and the editor have voted Conservative on all occasions in the past. With that explanation, hon. gentlemen will understand that this editorial has not been written with a view to commending the Liberal government that is in power at Ottawa, but simply as the honest expression of its own conclusions after having studied the effect of the tariff reductions that are proposed in the budget brought down by the Minister of Finance.

This house is indebted to the hon. member for Nipissing (Mr. Lapierre) for the address which he delivered early in this debate. In a very concise way he showed the important place which the mining industry holds in Canada at this time, and I shall therefore not dwell upon that. I wish, however, to give credit to the present Minister of Mines (Mr. Stewart) in the government of the day for the sympathetic attitude which he and his department have always had towards the mining industry ever since the advent of this administration. It is admitted by mining men in all parts of Canada who have been watching events, and by those who had been engaged in the mining industry for years prior to the advent of this administration, that the treatment which they have received from the present Minister of Mines and the Mines branch has been more kindly and sympathetic than under any previous administration, a tribute that applies equally to their attitude towards the mining industry as a whole. The Mines branch, under Dr. Camsell, as deputy minister, has carried on geological surveys in all the back portions of this great country of ours, and has prepared geological maps giving information which has proved of untold value to prospectors and mining men generally. Their research work has also been of great benefit to the mining industry in this country. Before leaving that subject, may I say for the benefit of the hon. member for Kingston City who has just addressed the house, that if he had listened to the remarks of the hon. Minister of Mines a few days ago, when he told the house of his trip to the old land last year and of the activities in scientific research as applied to mining, intimating to the house that the problem of the proper treatment of the iron ores of this country had been, he felt assured, solved by scientific research, he would have realized that the iron which we have in such great abundance in many parts of this country constitutes a great national asset, and that the iron industry will in a very short time be one of the great industries of this country.

Then the hon. member for Kingston City referred to the St. Lawrence waterway—something that most of his colleagues are keeping pretty well away from, I notice. The hon. member for Fort William (Mr. Manion) also wanted to know where the government stood in regard to this question. I cannot speak for the government, of course, but I think I can speak for every member on this side of the house when I say that at least there will be no danger of the government trying to steal the policy of the Conservative party in respect to this great project. It is my sincere hope that the negotiations now proceeding between the two nations will reach a successful conclusion, and that the deepening of the St. Lawrence will be proceeded with as rapidly as possible. When that day comes, and I hope it will come quickly, our fresh water carriers will be able to transport grain and other cargoes from the head of the lakes down to Montreal for reshipment on ocean going vessels, and this will do away with the present unsatisfactory condition of American bottoms carrying 80 per cent of our grain. Then we shall be able to build up a merchant marine that this nation will be proud of.

Most of the hon. members who have so far taken part in this debate have dealt with immigration, and our friends opposite have tried to create the impression that the trek across the line never commenced until the Liberal administration came into power, and that it never will be stopped until the Conservative party regain office. But I have lived long enough to remember that prior to 1896, when the Laurier administration assumed control, we suffered the greatest loss of our manhood and womanhood to the United States. With the wonderfully improved conditions—if the term "prosperity" is objected to, I am quite satisfied with this description—that exist throughout the Dominion to-day, and with the still greater improvement that we may expect from now on under the present strong, sane administration, I do not think we need worry very much about our immigration policy. During the past year it has been shown conclusively that our people have become rich enough to invest a very large proportion of the capital that is now being used to develop our industries: in fact more than half of the capital that has gone into our mining development is Canadian capital. It is also gratifying to find that capital is being attracted from all parts of the world for investment in the Dominion, for the simple reason that capitalists in other countries are shrewd enough to see the great possibilities of profitable investment in the development of our natural resources. And there is not a doubt in the world but that immigration will follow capital. I am confident that men and women, physically fit, will seek to establish themselves and play their part in the pioneer work that is necessary to continue the development of our natural resources and the industries related thereto, and that we shall have all the immigrants we need from Great Britain and continental Europe. Our chief concern must be to see to it that only those best fitted are allowed to enter the Dominion.

I was struck by an observation made by the hon. member for Parry Sound (Mr. Arthurs) when he took part in this debate. He stressed a point that used to be stressed years ago, but I thought the Conservative party had gotten over it by this time: he laid the blame for all our railway troubles on the Laurier regime in building the Grand Trunk Pacific railway during the period from 1908 to 1911. Let me point out, Mr. Speaker, that if the Grand Trunk Pacific railway had not been constructed by the Laurier government we would not be getting to-day the great benefits flowing from the development of our mineral, forest and agricultural wealth that has taken place along the railway in northern Quebec, northern Ontario and northern Manitoba since the war ended. As a result of this development, that part of our Canadian National railways which a few years ago our Conservative friends predicted would always be a charge on the country, is now paying its way, and in the near future it will be one of the best revenue producing portions of our National railway system.

Now, Mr. Speaker, there is just one other matter that I wish to mention: it has to do with the recent discoveries of mineral wealth in northern Manitoba and northern Saskatchewan, and particularly with the administration of the mining laws to govern the great activity that we may expect there in the immediate future. From what prospectors in northern Ontario have told me, I feel sure that in the coming season there will be the greatest rush to stake mineral claims in northern Manitoba and northern Saskatchewan that we have ever witnessed in the mining history of Canada. It is vital for the good and the prosperity of the mining industry and of the people of Canada generally that the very best mining laws and regulations be established to govern the staking and the operation of mines which will be opened up. In my humble opinion the present mining laws which have been enacted by the federal parlia-

ment and which up to the present time have been in force in relation to the staking of mineral wealth and of the natural resources of our provinces, where those resources are still under federal jurisdiction, are not up to date, nor are they the wisest laws that could be enforced under the conditions as they now exist. I would therefore suggest to the Minister of Mines and to the government that during this session, before the staking rush begins in that part of the Dominion for the ensuing season, they endeavour to formulate the most suitable laws and regulations in order to give to that country the best government possible. We in Ontario have had a good deal of experience with mining laws and we have been able to cope with many great rushes in different parts in the north of the province. In northern Quebec also there have been some big rushes in the staking of claims, and the mining act of that province has very successfully met the situation that has developed there. In my opinion our Ontario mining act is probably one of the best pieces of legislation of the kind, if indeed it is not the best, in Canada or for that matter anywhere in the world, and I do not think that this government would encounter any difficulty in drawing from the acts of these two provinces such regulations as would take care of the situation in the part of the country I have been speaking of, with a view to obviating as far as possible litigation and disputes generally that must inevitably arise in connection with every mining rush.

I do not think there is much more I want to burden the house with. I feel that we in Canada to-day are living in the most favoured spot on earth. With our great agricultural wealth, our vast forest resources, our enormous hydro potentialities, our good climate and the unbounded possibilities in minerals—the greatest possibilities of mineral wealth of any nation in the world—we have every reason to be proud and happy. I am sure that all Canadians must take the keenest pleasure in the realization of the resources available to us to-day. When we look back over the pages of history we find that from the earliest recorded times the nations that have become supreme and that have maintained supremacy have always forged ahead because they have had hidden treasures in minerals to supplement their other resources. This has been so throughout the ages. Until the Armada, Spain had scoured the seven seas in search of precious metals. Then came the Spanish Armada and England wrested the supremacy; and she has retained her supreme place since that time because of her possession of mineral wealth. To begin with, she had coal and she developed her iron and steel industry, in which field she has long remained in the forefront. Is it not a gratifying reflection that we in this part of the empire should possess mineral resources which will be available for centuries to come? We can picture Canada in future generations, indeed, centuries from now, playing an exceedingly important part in helping to maintain the supremacy of the great commonwealth of nations to which she belongs. The British Empire has been supreme on land and sea, commercially and in every other way, and it is the fervent prayer of every Canadian that she may long continue to maintain her position. And in the maintenance of that supremacy, in the interests of humanity, Canada will be an important factor. This country is destined to play a vital part in holding the empire together to the end that her benign influence may spread to the furthermost corners of the civilized world and that peace and Christianity may everywhere prevail.

Mr. W. E. ROWE (Dufferin-Simcoe): The amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan) to the budget which has been brought down by the Minister of Finance (Mr. Robb), has failed, and naturally so, to enlist the support of gentlemen on the government benches. However, it has attracted keen interest in all other sections of the house and national concern throughout the Dominion at large. When we carefully consider the activities of this government since it came into office in 1921, and since it was given a new lease of life after the last election, we cannot but regret the absence of any sign of stability of purpose or principle in the economic management of the affairs of this Dominion. After the government's long term of office, it would seem that the ship of state to-day is merely drifting aimlessly, without any apparent course. The present government has depended very largely on the whims of fate, as members of the administration have said on different occasions. Providence has been indeed very kind to them. Listening to the hon. member for South Timiskaming (Mr. Lang), who described the greatness of the country in its natural resources, I could not help thinking that it was indeed fortunate for the Dominion that our heritage was so vast and our harvests so bountiful; because had this country not been so blessed in natural endowments, so favoured by Providence in natural conditions, the people could not have prospered as they have done under so weak an administration as that which now governs the affairs of this Dominion.

After almost ten years of privilege, almost from the conclusion of the Great war, the government, much to the disappointment of the people, shows no sign of retrenchment nor of any effort at a permanent reduction in the national debt. Year by year we have heard of different surpluses, but when you analyze the government's own reports for the last five years, from 1921 to 1926, when you look into the liabilities in connection with the national railways, you find that our debt stands to-day at $217,000,000 more than it did when the present government came into office. During their term of five years the government, who have been preaching economy to this side of the house and to the Dominion, with a political astuteness which we are now bound to admit and which is becoming more and more evident to the people, have been securing money from the taxpayers by a process of painless extraction. At any rate, they have collected and spent more during the past year by $18,000,000 than the year before, and they have collected $211,000,000 more in the five years from 1921 to 1926 than did their predecessors in the previous five years, including a part of the war period. They have indicated in this year's estimates their intention to spend $10,000,000 more in the coming year, and for nine months of this fiscal year they have already extracted $14,000,000 more in taxes than they did during the same period last year.

The present much talked of era of prosperity is indeed a splendid advertisement for the present administration; at least they are taking advantage of it. To quote the glib words of the Prime Minister (Mr. Mackenzie King), prosperity is no longer in the far distant future; it is here: we have had in the past year a total trade greater by $42,000,000 than we had in the previous year. But what are the facts? When you analyze the figures you are disappointed to find that this $42,000,000 of a greater trade is really not so favourable as it seems on the surface, for there have been greater importations to the extent of $103,000,000, of products that might have been manufactured in this Dominion, while there has been a diminution in exports from Canada to the extent of $67,000,000. So that when the government boasts of an increase of $42,000,000 in our total trade it is on the wrong side of the ledger. There has been a decrease in exports, in the nine months of the present fiscal year for which we have figures of $56,000,000; and when we look over the monthly reports of the Department of National Revenue we find that our importations have increased by over $33,000,000 in the past nine months than in the same period of the previous year. It is hard to understand how the government can take credit to themselves for the era of prosperity, for which Providence is so largely responsible.

The people of this Dominion have been viewing with alarm the attitude of the government towards the manufacturing industries of this country. Hon. gentlemen opposite have negotiated several trade treaties with foreign countries, and it seems to me that they must surely admit now that they are poor international traders. They are apparently optimistic regarding their future success as ambassadors, but it seems to me that, judging from our experience of them as traders, they are hardly fitted for ambassadorial responsibilities. In the case of every trade treaty which this government has negotiated with a foreign country our favourable trade balance has appreciably diminished. I will refer the house to our treaties with Australia, New Zealand and France. I wonder what the Minister of Agriculture (Mr. Motherwell) thinks to-day of the Australian treaty, which he once cherished so dearly. It must be a source of inspiration to him as he sings "bit by bit" the old free trade song; and no doubt, the Minister of the Interior (Mr. Stewart) will rejoice once more in sounding the death knell of protection. I do not think, however, that the Western Dairymen's Association, the farmers and sheep-breeders throughout the country would be entertained by a duet on the part of these two ministers, because the evil effects of the Australian treaty have been felt by every farmer and dairyman throughout the Dominion, With Australia our favourable trade balance has declined by $3,500,000, only to be followed by similar reductions in our trade balances with other countries. In the case of New Zealand our favourable trade balance has been reduced by $5,500,000, and in the case of Belgium by $4,500,000. With France, with whom we had that famous treaty, our trade balance has declined by $7,500,000, and to-day we are purchasing from that country twice as much as we are selling to her. In our relations with the British West Indies, our favourable trade balance has declined by $2,000,000, while with Japan our favourable balance has been reduced by $8,500,000.

Under the circumstances, the present administration must realise that the home market is more important to the agriculturist, more important to the domestic producer in every line, than markets which may be sought far afield. We have often endeavoured to impress upon the government the necessity for culti-

vating the home market, and the uncertainty of foreign markets is clearly demonstrated in our trade with the United States. We must, however, accord the government credit for endeavouring to give the United States a reasonable chance in their trade with this Dominion. Since taking over the reins of power the government have made every effort to build up trade with the country to the south of us, but what have they given us in return for the home market which we have lost? We find that in 1921, when the present administration took office, we sold to the United States two and a half times the amount of agricultural products which we sold them in the year just past. This is an evidence of the uncertainty that exists in attempting to establish markets far from our own shores. Many members on all sides of the house have in the past emphasized the view that agriculture was the basic industry of the country, but experience has taught us that no basic industry can make any progress without reference to others; it is bound to be more or less dependent upon the secondary industries if the industrial development of the country is to be maintained.

We awaited with interest the budget that has been brought down by the Minister of Finance, and now that it has been submitted we find certain tariff changes proposed. The budget may be pleasing to those who are interested in a low tariff: the Minister of Finance calls it a re-classification, but whether you describe it thus, or whether you call it a ratification or a modification or a lowering of the tariff or tariff tinkering, the effect will be the same; it will be felt just as injuriously by industry throughout the Dominion. The present budget is only another evidence of the instability of this administration's fiscal policy, and it will react unfavourably not only on the textile industry but on many others besides. Certainly, at any rate, it will affect the textile industry, one of the earliest established enterprises in this Dominion. I need not go into details in regard to this industry inasmuch as the effect of the proposed tariff reduction as related to textiles has been emphatically stated in Hansard. But while the budget will entail considerable hardship, while it will throw many of the labouring class out of employment, while it will shut down many factories and worry many capitalists who have put their money into similar industries, it will prove the statement I have made that agriculture and all these other enterprises are interdependent: one cannot suffer without injury to the other.

We on this side regret that the government has dealt the textile industry another blow of uncertainty. The effect upon the industry, the labouring man, and our domestic markets can readily be anticipated. This subject has been dealt with in detail by several hon. members on this side and is therefore already on Hansard. But may I say that we find industry and agriculture showing a common concern in view of the unhappy situation in which they find themselves. I know there are many older members in this house who will recall the tariff cuts on textile goods in 1898, when hundreds of woollen mills and scores of textile plants were forced out of business. The sheep industry immediately felt the effects and began to decrease from 2,500,000 head until the number reached 2,000,000 head only in 1911. After the smoke of the reciprocity battle had blown away, and a stable fiscal policy had been inaugurated, we find that both industries improved and the increase in the number of sheep by 1921 amounted to 60 per cent. Then followed the negotiation of the French and Australian treaties, and we regret to note that during the succeeding five years the number of sheep decreased from 3,700,000 head to 2,877,000 or approximately 30 per cent. It is interesting also to find that during that time Australia increased its number of sheep by 13,000,000, and France by 1,000,000.

In the early days of Canada the sheep was christened the golden hoof of agriculture. The value of sheep as weed exterminators has always been appreciated by expert agriculturists, and when we hear of the admitted problem of weeds where grain cropping becomes the chief enterprise, as our western friends well understand, I would ask the right hon. the Prime Minister, who has recently joined the industry, and the hon. Minister of Agriculture (Mr. Motherwell), another sheep breeder, if they would not consider the possibility of gaining 100,000,000 sheep for Canada, similar to the number in Australia and other countries, instead of the two or three million that we now have as likely to prove a benefit to agriculture.

Now, Mr. Speaker, I note a report has been laid on the table of this house by a research commission regarding the condition of our woollen industry, and while I have not read it I might say that if the government is desirous of improving conditions they have only to follow a very simple process. First, let them encourage the breeding of better sheep, and the careful grading of the wool. Second, let the duty be raised on raw wool, as well as woollen products instead of being lowered. Let them also encourage other industries, thereby enlarging the home market for mutton.

Then let the government amend the Australian treaty so as to no longer invite cheaply produced mutton and wool to supply the Canadian home market when it is established. Our citizens in western Canada, might with profit scan the past and realize what the future holds in store for them if their present favorite policy of low tariff or free trade prevails. Forty years ago Ontario was chiefly an agricultural province. Its people then were imbued with the same ideas touching a national policy as our friends in the west now are. As Ontario became industrialized and good home markets came into existence their views altered, and the effect of this experience is beginning to be felt in the west.

On this question I wish to refer to page 39 of the annual report of the Canadian Bank of Commerce, which, quoting the president's address, says:

> It is not generally understood in eastern Canada how far the springing up of local manufacturing industries and such developments as those just referred to are hastening the time when the interests of the prairie provinces will no longer be almost purely agricultural, and when they will play a most prominent part in Canada's industrial activities. In 1926 the factories of Manitoba turned out manufactured goods valued at $125,000,000, those of Saskatchewan $40,000,000 and those of Alberta, $75,000,000. This total of $240,000,000 represented the products of about 2,150 manufacturing establishments in the three prairie provinces and is the outcome of an investment, in round figures, of $220,000,000, and the payment of wages of $42,000,000 to over 25,000 employees. These developments are bound to increase, and must result in a lessened economic dependence of the west upon the east.

With adequate protection these industries will continue to expand and population will be attracted to the prairies, other than for land settlement purposes, creating an ever growing home market for diversified products of the land. On the other hand our farmer friends should not overlook the obvious fact that they are not long going to enjoy the present markets in Europe except with the keenest competition and substantially decreased prices for grain.

Russia, an agricultural country covering half of Europe and Asia, is rapidly going to become a competitor of Canada in the wheat market of both those continents. Located adjacent to both it will produce and transport at much less cost wheat equal in quality to No. 1 hard at a price ruinous to the Canadian farmer. Russia has a population of 146,000,000, of whom 116,000,000 are peasant farmers owning, occupying and operating 22,000,000 farms. Their production of farm products has increased 34 per cent in the last four years. Their 1926 crop was 87 per cent in excess of the 1921 crop. They produced in 1926 sufficient to feed their large population and exported 18.3 per cent of their production, or sufficient to feed 30,000,000 more persons. This is going to be a real problem with our western farmers, because the European market will indeed be affected. They are educating their farmers more carefully than they have in years gone by; they are employing railway experts from the United States; they are getting American efficiency into their transportation problems, and there is no doubt that the time is not far distant when the cumulative effect of these efforts intelligently to increase production and economically transport the products from these 22,000,000 farms to the centres of population in both Europe and Asia, will have a profound effect upon our foreign markets for farm products. As a forecast of this I say to our western friends that last year our exports of agricultural products fell by more than $77,000,000. Is this not an opportune time for industrial expansion throughout our western provinces? Is it not important at this particular time that some encouragement should be given to industries so that the western farmer will very soon have established within his own border, his own section a stable and what is, after all, the only safe market for any agricultural area to depend entirely upon.

There is one other department that, for several reasons, is closely associated with agriculture and that is the Department of Immigration. In the first place our present immigration policy is to allow inside our shores only those who are interested in agricultural pursuits. The second reason is that the present Minister of Immigration (Mr. Forke) who, I regret, is not in his seat, has been a farmer, and also a short time ago he led a group of farmers in this other corner of the house, only later to leave them, in order to sit on the other side. Apparently he has lost his policy in the confusion, because we find that he is now struggling with a real problem, one that affects the very life of our nation. He has a whole army scouring European countries and hand-picking prospective immigrants who can be assimilated in certain sections of this Dominion, and the result is that his department is spending more money and accomplishing less than it did under any previous administration. This is indeed a serious problem. It is all very well to say that immigrants are going to come here because the Lord is sending us good times; but we must have a definite and fixed policy of immigration if we are going to accomplish anything in this Dominion, and I would suggest to the Minister of Immigration, who has made such a great change of heart in

order to give his services to the present government, that he now ask the government of which he is a member to make a change of heart also and to adopt a policy whereby our people may have more work at a reasonable wage. If that is done our immigration problem would soon be solved.

When we stop to consider that more boys and girls are to-day leaving our shores than we are bringing in to replace them, we can appreciate the seriousness of the problem. Some of the members of the government shake their heads. I will go back some years and I somewhat agree with the hon. member for South Timiskaming (Mr. Lang). I will make this statement and I ask any member of the government to contradict it. If we go back some years it will be found that more of the Anglo-Saxon race and their descendants have gone to the United States to reside than we have in the whole Dominion of Canada, and I ask my hon. friends from Quebec if a similar situation does not exist in regard to the French-Canadians in their province. I am not giving all the credit for that misfortune to the present administration, but I say that that is the situation in this Dominion. The very best blood of our nation, the sons and daughters of the old homesteads, the labouring man and his family, the university graduate and his sweetheart have all gone to the United States where they can find employment. Only the other day I was speaking to a boy who graduated this year, and I asked him what he was going to do. He said that he was going to the other side, so I said: "Why not stay in Canada?" He said: "Fifty per cent of our year are going there and last year they all went there but one."

This is a serious problem and it is high time that the immigration department assumed more responsibility than merely endeavouring to assimilate the foreigners who settle in Canada. I do not mean to say for a moment that we do not need the foreign element to assimilate in this country, but we should give some attention to those boys and girls who are born under the British flag, and who do not need assimilating in order to become fine Canadian citizens. If a foreign settler is worth one thousand dollars to our nation before he becomes assimilated, how much more is one of our own boys or girls worth? It is high time that we inaugurated in the Department of Immigration a real immigration policy, and by the way I hope that, after this immigration investigation is completed, the immigration department will do what the old customs department did, namely, change its name to a more creditable and better name, a name that will be more appropriate to the changed conditions. We could well change the name to Farm Settlement and Colonization department or any such name as the government might choose. But let the government change the system first and give us a policy whereby our own boys and girls as well as those who come from other countries will receive some assistance. When we change the name of this department, we should change it to one more pleasing to the newcomer and less embarrassing to our own boys and girls who, under the new system, might seek assistance from this department.

I know that my time is limited and forty minutes does not give sufficient time to do justice to the weakness of such an administration as this. No doubt the Minister of Finance has, as he has often glibly said, tried to serve all classes of this Dominion, and with all due respect and regard for the responsibility which is his, I wish to tell him that the farmers and dairymen realize that he was the founder of the Australian treaty, and they will see that he has done nothing to relieve them in regard to the cut in the price of butter to the tune of from twelve to fourteen cents a pound and nothing to reduce their taxation. I am satisfied that the average citizen will look over this budget carefully and he will see that, while there have been some reductions in the income tax, they affect only 1.3 per cent of our population. He will also see that he is still paying a sales tax of three per cent, at which rate it stood when this government came into power, on every dollar's worth of the necessaries of life that he buys. He will also note that it would be a good thing for this Dominion if we had more rich men because they have been well dealt with. If a man's annual income is $100,000, his taxes will be reduced by $2,000; if his income is $200,000, the relief he will get by this budget is $6,000, and if by any chance any person should be clever enough under this administration to make $300,000 a year, this poor man's budget will reduce his burden of taxation to the tune of $9,000. The labouring man will also note that the treaties which this government have made, have increased the cost of some of his foodstuffs by 35 per cent.

Let me say in conclusion, because I do not want to trespass on the rules of the house, that I thoroughly regret that the present government has given no relief to the labouring man in the way of decreased cost of living, nor any sign of more work and better wages. In this budget there is no encouragement for the agriculturist in his home market nor any reduction in his present taxation. There is

also no sign of an attempt to recover the long since lost security that is necessary for advanced industrial development in any country. On the other hand, to the strong and the true who are hewing our timbers and sending forth our raw resources to foreign manufacturing plants, the Minister of Finance hands out only the slogan, "Work harder, practise thrift, and the kind hand of Providence may come to your rescue with a bountiful harvest, and our ambassadors will then go forth and tell the world of the wonders of our trade".

Mr. FRANKLIN SMOKE (Brant): Mr. Speaker, the budget speech starts out with statements of leaders of finance and industry as reflecting progress and prosperity. The people are the best judges of whether there is prosperity or not. Prosperity with the banks and so-called leaders of finance and industry, is not necessarily conclusive of a similar degree of prosperity among the masses. We must go to the masses to learn how far they are sharing in this prosperity. The degree of unemployment which still exists among those in greatest need—whether they are wholly unemployed, or working on part time only, and even when employed, employed at wages such as at present prevail—is a far better criterion of the social condition of that class of the community which should receive the greatest care from the administration. A contented populace is the best sign of prosperity.

The constant nibbling at the tariff, which is the favorite diversion of this government, makes it harder every day for the employers of labour to carry on, and if they do succeed in carrying on, too often it is done by the reduction of the wage scale as a necessity to their carrying on at all. There is a constant demand that profits should be passed on to the consumer. This is the reverse case. The losses are passed on to the working man.

Should these reductions in the tariff result in the slowing down, or closing down, of industries, it means, besides greater hardships to the working man, the depreciation or wiping out of capital which, once lost, is lost for all time—lost not only to the individual who suffers the loss, but to the country as a whole as a part of the previously accumulated wealth.

Too much is made of the term "industries". Very often people look upon industries, or rather the owners of industries, as plutocrats, but as a matter of fact in nearly every large industry the stock is widely scattered and held by all classes of the community who have in the past been able to add a little to their savings. The widow, the orphan, as well as the man of moderate means, and the wealthy, are the ones whose funds are available as capital with which to carry on these industries, and when industries fail the losses reach to all classes of the community who have in any way been able to lay by something in the past. It is hard to distinguish such treatment by the present government from the Soviet system of confiscation. If it differs at all, the system of the present government is worse than the soviet system. As I understand the soviet system, they confiscate, but do not destroy; they leave facilities for production practically unimpaired, and production still goes on, while by the system adopted by this government capital is entirely destroyed. This government will be known to posterity as bolshevist or worse. No name can more accurately describe it.

The financial statement of the Minister of Finance (Mr. Robb) has been punctured most effectively by the hon. member for St. Lawrence-St. George (Mr. Cahan), and by those who have preceded me. No one, not even the Minister of Finance, is deceived by the casuistries of his argument, though he hoped to convey the impression in the country that all is as he says. All he has done is to furnish the Liberal stump speakers—or such of them as are unable to think of something themselves, and there are many such—with ammunition with which to stump the country in the next campaign. That is probably as much as the minister hoped for.

I am old enough to remember the days of the Macdonald administration, when the government were spending $28,000,000 a year, and this covered all public services. That is only about forty years ago. The cries of indignation of Sir Richard Cartwright and others over the extravagance of the government still reverberate through the memories of many now living. To increase the expenditure by $28,000,000 from one budget to the next in these days is mere child's play. It is done almost every year.

We hear a lot about the desire for work and thrift. The minister highly recommends it, but it would be more to the purpose if he were to lay a foundation by practising economy in the public service so that those who do practise thrift will not necessarily see the product of their labours taken away from them in taxes.

I am not well enough acquainted with the effect the tariff changes will have on the industries of the country, or even on the industries in my own riding, though I have what I consider good grounds for believing these changes will be injurious, and possibly disastrous. An attempt is being made to lessen the injury to these industries by the re-

duction or wiping out of the duty on some of their raw material and what machinery they may desire to import. The reduction or wiping out of the duty on raw material may be of benefit to those who are not manufacturers of this raw material, but it will cut out from under the feet of those who do both weaving and knitting a profitable part of their business, and will do no one any good. While as for machinery, there are few mills who have not now more machinery than they know what to do with; instead of wishing to buy they are in the market to sell, and there are no buyers, and the result is it will have to be sacrificed, which means pretty nearly a total loss.

What will be the effect on the wool industry of the country as a result of the proposal in the budget to admit free yarns? The sheep industry has had hard sledding for years. Statistical tables show that the sheep population has been almost constantly dwindling for many years, and that the per capita sheep population in Canada is many times less than that in other countries where sheep thrive no better than they do in Canada. What do Canadian sheep farmers think of this? The farmers' cry, in so far as there has been a distinctive cry from that class, has been that the government has been more solicitous for the weal of the urban industries at the expense of the farmer. Surely if ever there was justice in this contention, this government has gone out of its way to give absolute proof that after all the government's pretended care for the farmer is only a pretence.

The amendment proposed by the hon. member for St. Lawrence-St. George expresses regret that the measures proposed by the government do not provide for increased employment in Canada, nor prevent the continued emigration of our people to the United States, and that they do not make provision for the preservation of our domestic markets for Canadian farm and dairy products, nor for the effective development of our national resources, nor for the early abolition of the sales tax. As I believe the arguments hitherto presented in this house are conclusive proof of the statements in the amendment, I am in hearty accord with his amendment, and shall have pleasure in voting for it.

There is, however, another subject which has a strong appeal to me It is not in any sense a criticism of the government except in so far as it may indicate a line of inaction on the part of the government. I must premise what I am about to say by stating that I have not consulted my chief or any of my colleagues on the subject, and that my statements which follow will be as new to them as to any other member of this house, and it necessarily follows that what I have to say is only my personal view and is not in any way binding upon a single member of this chamber.

I have, however, long meditated on the subject. I know that it has been mooted elsewhere, but that is about as far as it has got. It has been pooh-poohed and ridiculed, but that is no argument in itself. It has been brushed aside as something entirely subversive of all economic ideas held hitherto as almost sacred, but I have failed in my reading to come across any reasoned and convincing argument against it.

While not denying that some inconvenience will result, still if it could be accomplished without too great an interference with economic conditions, the result would be well worth striving for. If the experiment is not fraught with too great dangers to warrant the attempt necessary to secure the accomplishment of the project, I am sure every one will agree that the project is well worth the consideration of parliament.

We heard from the hon. member for Red Deer (Mr. Speakman) and the hon. member for Last Mountain (Mr. Fansher), and we have heard and shall hear from many other members of that school of thought, that because certain kinds of taxes were imposed during the war—such as income tax, sales tax, business profits tax—these should be retained unaltered so long as any part of the war debt remains. What is there so sacred about the income tax, or the sales tax, that they must not be touched? At the time of the war the need was great and the government of the day saw these ways for raising money and adopted them. Others might have found other or additional ways. That is not the question

I look upon Canada in its financial aspect after the war as just like a mutual fire insurance company. Everyone knows that the members of a mutual fire insurance company share the losses of those who suffer loss in proportion to the size of their several risks. Our country was in deadly jeopardy. Had we lost the war to Germany, it cannot be seriously contended that Canada would not have fallen into German hands. Our property would have been actually confiscated, or if not, we should have been so taxed by the Germans that confiscation would have been proferable. The war debt is a debt of the nation and should be paid for by those whose property was salvaged in direct proportion to the risks involved, exactly as in the insurance case mentioned. It is easy to say that the debt is a debt of the nation, but when it cames to payment it is not the artificial

entity, the nation, which pays it; it has to be paid by the individual through the tax collector. It is our debt—yours and mine—and we should face the situation.

It is calculated that the national debt of the country is practically ten per cent of the total estimated wealth of all Canadian citizens. These citizens in the last analysis owe it and must pay it. I know the idea of a capital levy is looked upon as financial heresy. It may be so. Not having been a profound student of finance, and not being a financier, I cannot say, but as I look upon it I owe ten per cent of whatever small amount of this world's goods I possess to the creditors of the Dominion of Canada. Except for the fact that our creditors have been good enough to defer time of payment, our debt would be now due and payable. An honest debtor pays his debts if within the range of possibility, and it is my duty to do my share, and the duty of every citizen of this country to do his share. I am willing that ten per cent of my worldly wealth be sequestered to meet my share of this debt; and until I can be convinced that the idea of a capital levy is not only supposedly, but really, financial heresy, I shall continue in the belief that this is the true and only sensible solution of the difficulty. If I think I am worth $10,000, that being the whole of my means, and I really owe $1,000 of this to the creditors of the Dominion of Canada, I am only worth $9,000. Let us take ourselves down a notch or two and get into an honest environment. Let us face facts. As to how this would be accomplished, I do not venture to say. We all remember that during the war every person had to register, and in the archives of this building, or in some other public department in this city, will probably be found a record of such registration. It was not difficult to do in those days. A new doomsday book can be compiled showing the total wealth of all kinds in Canada. A comptroller for liquidation of the national debt might be appointed and given authority to have this doomsday book prepared, and then some way might be devised of sequestering the ten per cent, or whatever percentage necessary, of each person's wealth. I would not say, take it away from any industry or any company; a company is owned by its shareholders. I would take it away from the individual owner, that is, I would sequester ten per cent of every person's stock, whether in a joint stock company, a bank, or in any other form of investment—10 per cent of his property of every kind. It should be set aside and administered, not necessarily all at once, but in time, so as not to disturb unduly the business of the country. The national debt would then be taken care of.

[Mr. Smoke.]

The farms and other property of the hon. member for Red Deer and the hon. member for Last Mountain are a part of the property salvaged by our troops as the result of our success in the war, and in my humble judgment they should be willing to have ten per cent of their wealth, or whatever amount the assessment on an insurance basis would require, set aside as their contribution to the payment of the debt. We think we are worth twenty-five billion dollars. We owe two and one-half billion. All we are really worth is twenty-two and one-half billion dollars. Do not let us continue to deceive ourselves by thinking anything else.

The war was not the result of anything we in Canada had done, nor was Great Britain's responsibility for the causes of the war any greater. The Anglo-Saxon and the French races have an inborn love of peace, and all that peace brings in its train, and this has been the outstanding policy of the Anglo-Saxon and French peoples for at least a century. It must, however, be peace with honour. Great Britain was forced into the war, and Canada without hesitation wholeheartedly took her natural place beside the motherlands and has never regretted it.

We, as a result of the war, are burdened with a colossal debt. Why should we of this generation not pay it? Are we going to cast on posterity—which may without this burden have troubles enough of its own—the burden? True, we were not the cause of it, but it was incurred during our trusteeship of the country's affairs. Let us have mercy on the growing and unborn generations, and look after our own burdens. Let us leave posterity free to deal with its own problems untrammelled by any which have arisen during our trusteeship. May I suggest the appointment of a committee or commission of inquiry into the feasibility of a capital levy? Such committee should not contain a single member chosen for political reasons, but it should be strictly non-partisan and have no thought of politics. The government can surely select representatives of every class of the community who would be really helpful, and whose duty it would be to give intelligent study to the question, who would cast aside every conclusion arrived at hastily and without sound logic, and all preconceived prejudices. The members of this commission need not be all Canadians. I would welcome the appointment of members from the motherland, or from any part of the world where good material is available and would not limit the number

so long as all chosen would be of some real service. It may be that the proper conclusion will be against the idea in favour of which I venture to speak, but I do not believe it. If it should happen, as I pray that it may, that the people of Canada can lead the way and evolve and carry out a plan that will free the rising generations from the incubus of the war debt, utopia will have arrived, we shall have presented an object lesson to other nations who will eagerly follow our successful efforts, and the name of Canada will be revered throughout all the nations of the world through every generation forever and forever.

On motion of Miss Macphail the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.30 p.m.

Tuesday, February 28, 1928

The house met at three o'clock.

CRIMINAL CODE AMENDMENT

POSSESSION OF WEAPONS

Mr. G. R. GEARY (South Toronto) moved the first reading of Bill No. 37 (from the Senate), to amend certain provisions in the criminal code respecting the possession of weapons.

Motion agreed to and bill read the first time.

COMMITTEE ON AGRICULTURE AND COLONIZATION

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the name of Hon. Mr. Ralston be substituted for that of Mr. Sylvester on the committee on agriculture and colonization.

Motion agreed to.

TARIFF ADVISORY BOARD

SEASONABLE FRUIT AND VEGETABLE TARIFF INQUIRY

On the orders of the day:

Hon. R. B. BENNETT: I direct the attention of the Minister of Finance to the fact that so far as I have been able to ascertain the evidence in the fruit and vegetable tariff inquiry has not been filed with the evidence in the other cases. Perhaps the minister will be good enough to look into the matter and see if it can be procured.

Hon. J. A. ROBB (Minister of Finance): I shall be very glad to do so.

MONEY POINT, N.S., LIGHTHOUSE

On the orders of the day:

Hon. J. C. ELLIOTT (Minister of Public Works): I desire to state, in answer to a question asked by the hon. member for Cape Breton-North Victoria (Mr. Johnstone) yesterday, that it is not the intention of the Department of Public Works to discontinue the telephone service between Bay St. Lawrence and the lighthouse and fog alarm at Money Point at the present time.

TOBACCO GROWING INDUSTRY

On the orders of the day:

Mr. E. J. GOTT (South Essex): I should like to put a question to the Minister of Agriculture. Seeing that he is not in his seat I will put the question on record, and if the minister cares to release the information it will be possible to get it from him to-morrow. The question is as follows:

1. Upon whose recommendation was the commission appointed to investigate the tobacco growing industry in western Ontario?
2. What qualifications were required?
3. What will be the duties of the commissioners?
4. What is the general attitude of the department towards the industry, and can a slight outline of the proposals contemplated be given?

Mr. SPEAKER: The hon. gentleman has stated that he wishes to put his question in the form of a notice. This will be taken as a notice.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed, from Monday, February 27, consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Miss AGNES MACPHAIL (Southeast Grey): We come again to a consideration of the budget brought down by the Minister of Finance (Mr. Robb). In the opinion of the members of the Liberal party that budget is a good one, and I am sure they will support it. The Liberal-Progressive members, I am sure, do not think it is a good budget but they will support it. The Liberals from Saskatchewan, coming as they do from that part of this enlightened Dominion, cannot like the budget, and yet I am expecting to hear them say it is a good budget. The Conservatives think this is a good budget, but the-

must declare it not to be so and having said that they will not be able to vote for it. I think it a rich man's budget and I am in the splendid position of saying that I do not like it and of voting in accordance with my views. So also are those hon. members who sit around me.

The hon. member for South Huron (Mr. McMillan) extended an invitation to me to join up with hon. members opposite and so find entrance to the promised land. I should like him to amplify his invitation. I should like to know if the promised land is entered through proper approach to one of the three bachelor leaders, or through the Liberal party, or both. I agree with what he stated as to the conditions which confront the farmers of Ontario to-day. I think he described the actual conditions as they will be found by anybody who takes the trouble to go out and investigate them. With the rest of the hon. gentleman's remarks I do not agree.

Agriculture is still the main business of the Canadian people. The nation's prosperity depends on a bumper crop. It has been well said that the agricultural returns are the barometer of national prosperity. The following words were used by Aristotle:

> The first attention should be paid to that which is in accordance with nature; for by nature agriculture is first; next come all those things which are derived from the earth, such as mining and other arts of like kind.

Or as has been often said, "The well-being of the people is like a tree." Agriculture and other primary industries are its roots, manufacturing and commerce its branches and its life; if the root is injured, the leaves fall, the branches break away and the tree dies.

The roots of the tree of Canada's national life have been injured. We have, for a young and rich country, a depleted and impoverished agricultural industry. In this young country agriculture has not held its own people, nor its power of place and influence. I regret it, but it is true. I do not think anyone in this house will care to deny that our educational, religious, business and political policies have been framed, not with rural needs in mind, but rather, whether consciously or unconsciously, directly antagonistic to those needs. The result is clear to anybody who cares to look around, namely, that our people are leaving the land in numbers that would worry any government, even this one. It does not seem to go further than worry with them, but still it worries them. This great mass of people is disappearing from the open spaces into crowded places which we call cities in either Canada or the United States. To my mind one

of the saddest things is that the individual is lost in the great mass of human beings, and so this constant robbing of the open places does not enrich the cities to the extent that it robs the country. The individual is lost; people who have been a power in a local community will after they have spent five years in a city, show by their personality the great loss they have suffered. It is quite true that many people who leave the land and come to the cities give leadership to city enterprises and gain for themselves a place of power and possibly of wealth; but again the country is robbed of very much needed leadership and the places in the country that have been vacated are being taken by citizens of other lands. As a matter of fact we are striving to bring people in from other places to fill up the places vacated by our own people.

Country life develops thoughtful, wholesome and genuine people, to a greater extent than any other life, and I think it is true that in the last analysis the conscience of the nation lies in the country. I think we can all bear testimony, if we care to, to the fact that in cities and towns the conventions of life veneer even the ways of our friends and it is in the country that we find the beauty of simplicity and sometimes the bluntness of unaffected candour. Country living makes for character and because of the need of character in all national undertakings, and because of the importance of agriculture in our national life, we see how disastrous the results must be if people continue to leave the land. Aside from the economic consequences, it heralds the approach of the time when the country will no longer furnish that leadership in business and public life which has been so influential in shaping the course of events.

The rural problem is a many-sided problem and I am not one of those who think that governments are so important that they altogether make the problem or, to any great extent, solve it. I know there are many other forces which operate. It would take too long —and I never wanted to speak for forty minutes until I could not speak any longer— to go into all the phases of this question, but I should like to mention one thing that I think has done much to aggravate our rural problem and that is our educational system. It is true that the whole educational trend is towards the city. Our educational system in Canada has acted simply as a "gangway" to life in urban centres. If I had time I should like to quote some leading educational authorities, corroborative of this view, but I think I can ask hon. members to look around their own counties; if

they do they will find it is true that more and more people are going to high school and that life in school and high school is utterly divorced from the life of people who live in the neighbourhood of the school and support them. The result is that too many people are rushed into city enterprises; we have an abundance of people hunting for white collar jobs and too few people who are willing to do the very much nobler and better work of nation-building in the open spaces. I am glad that I have not had too much of that kind of education to prevent me thinking for myself, but we have an educational system that actually stuffs children with facts and creates in them a reverence for things as they are, and this is a great disaster to our children, because it hinders them in creating institutions to meet changed conditions. It is true that the best teachers go to the cities to teach, because they are better paid there. This is also true of preachers, I am sorry to say. The better preachers go to the cities because the salaries are greater. Anything, it seems, does for the country.

One other thing that has a great deal to do with the rural problem is this. Individuals and groups of individuals donate large sums of money to educational and religious institutions which grants have a moderating influence on the attitude of these and similar institutions towards economic reform that would bring about a better condition for the masses of the people. Until lately the fact that the farmer produced goods but did not market them added greatly to the rural problem. He was not a business man. Now the farmer is becoming a business man, and as a keen business man he is not going to put up with the slipshod methods that obtain particularly in this house and in some other places in Canada. I thought it would be worth while putting on Hansard this sentence of Professor Macklin, of Wisconsin university:

> The industry that neglects to assume the responsibility of marketing its own products arrives last in the race for the consumers' dollar—like the runt pig.

The farmer is ceasing to be the runt pig and he is learning to market his own products. He is not going to be last in the race for the consumer's dollar, and he is going to demand educational systems that will meet his needs. I should like to know why some fellow, with a fossilized brain sitting in some office in some government service, should direct the kind of education which the children of farmers are to have, and I hope the day may speedily come when that will not be the case.

It would take much longer time than I have at my disposal to review the sufferings of the farmer in the political field. The farmers, because there are more of them and because they carry on the primary industry of the country, have suffered more than any other class from political policies framed by governments antagonistic to the farmer's economic needs. The full discussion of this question would take me into the realm of finance, transportation, and many other places into which I have not time to go, but I want to review, for the edification of this house and particularly of the Liberal party, a history of the political life of Canada as it is related to the farmers just before and since 1896.

Prior to 1896 the farmers in Canada, to a very great extent, felt that the Liberal party, did voice their aspirations and needs. That is, the Liberal party was the vehicle used by the farmers for the expression of their political needs. For the seventeen years prior to 1896 many able men, particularly Sir Richard Cartwright and Sir Wilfrid Laurier, impressed upon the people of Canada this fact. The farmers believed that the Liberal party was opposed to special privileges, and particularly special privilege as it is embodied in the national policy. Sir Richard Cartwright made some very able speeches, opposing the protective tariff. On one occasion he said:

> The moment you introduce the protective system you create a class whose interests are essentially different from those of the people at large, and who become ready contributors to corruption funds sharing with their masters the plunder they have been enabled to take from the people.

Mr. COOTE: It is too bad Cartwright is dead.

Miss MACPHAIL: Yes, it is too bad he is dead but in any case he was ruined before he died. Let me quote from him again:

> My objection to this scheme goes deep. I object to it not merely on the ground of the increase of taxes that it involves, or of its complicated details, but on much higher ground than that. I deny entirely the justice of the principle that it is the duty of the government to enable certain sections of the community to tax the rest of the people for their private gain.

I think he puts the principle very clearly. I want to quote an extract from a speech by Sir Wilfrid Laurier given on page 380 of Edward Porritt's Sixty Years of Protection in Canada. This is a famous quotation which we have often heard. Sir Wilfrid Laurier, speaking at Winnipeg as reported in the Free Press, said:

> We stand for freedom. I denounce the policy of protection as bondage—yea, bondage; and I refer to bondage in the same manner in which American slavery was bondage. Not in the same degree, perhaps, but in the same manner.

That was before 1896. Lovely speeches those! They went to the country, and the people, tired of special privilege in high places, sent back the Liberals with a majority. In 1897 the Liberals brought down their first budget, and I suppose that the low tariff people of Canada never looked forward with as great hope to any other budget. In speaking of the time following the bringing down of the budget and subsequently, Mr. Porritt has this to say at page 362:

> The policy of the Laurier government with regard to protection has been characterised as a betrayal of Canadian Liberalism. Betrayal is a strong word. But an examination of the fiscal and bounty legislation at Ottawa since 1897 abundantly justifies its use.

And again, at page 366:

> When I come to examine the bounty policy of the Laurier government, the amendments to the Railway Subsidy Act and the patent laws, the legislation against dumping, the new regulations intended to reduce the circulation of American trade advertising, the tariff war with Germany, and the readiness with which the tariff question was reopened at the bidding of the Canadian Manufacturers' Association, and the many new concessions that were made to the protected interests in the revision of 1906-07, it will become apparent, I am convinced, that the Liberal government has not only adopted the national policy of the Conservatives, but has greatly strengthened and extended it, and has fastened it more securely on the people of Canada.

Again, at page 385, he says:

> It is one of the ironies of Canadian history that responsibility for the full recognition of this new privileged order and for nearly a score of enactments continuing, extending and guaranteeing its existence, should lie with the Liberal party.

Speaking of the farmers having no further representation through the Liberal party, he says at page 456:

> Since 1897 the privileged order of manufacturers has held captive both political parties, and the farmers have had no representation in parliament on this question.

One is moved to ask, were there no Liberals who really believed in Liberal principles? Did nobody protest against the betrayal of 1897? Porritt, at page 5 of The Revolt in Canada, says:

> While at first there were liberals in the House of Commons who bitterly resented the betrayal of 1897, these men were appeased in the usual Ottawa fashion—by appointment to office or the promise of an appointment, or they dropped out in 1900, in disgust at the cynical abandonment in 1897 of all that Liberalism had stood for in Canada from the days of William Lyon Mackenzie—

Not King.

Following rather sketchily the history subsequent to 1897, we find the Liberals still claiming, indeed they do yet, but they did it with a little more vigour in the years immediately following 1897, to be low tariff. It is quite true that they had the honesty to see that they could not have educational reform clubs or young men's Liberal clubs after such a betrayal, and very comfortably for themselves they dropped them. Sir Wilfrid Laurier did tour the west in 1910, and there he met organized agriculture, and if anybody likes to read the story of it he will find it in the Revolt of Canada. It is very interesting to note that John Evans was one of the men who appeared before Sir Wilfrid Laurier; that is the hon. member for Rosetown in this house, and his speeches then read very much like the last one he made in this house. Others who appeared before Sir Wilfrid Laurier were Roderick McKenzie, father of Donald McKenzie now on the tariff board, J. W. Scallion and J. W. Speakman, father of the hon. member for Red Deer (Mr. Speakman); so some of our men have run true to form.

In 1911 the Laurier government was defeated, and from that time on they never did to any great extent regain the confidence of the low tariff farmers in Canada. Some indeed were such good Liberals that they remained Liberals rather than farmers, but for the most part the confidence of the farmers in the low tariff principles of Liberalism was broken never to be mended again. This sank very deeply into the minds of the farmers, and was really one of the causes of revolt which brought in the sixty-five Independents who came into this house in 1921. The farming people in the constituencies had voted for honest party men, of their own class, men who spoke well in the constituencies, saying they would come to Ottawa and be true to the agricultural industry. But when these men came to Ottawa they were true to their party, and not to their industry; they were farmers, but they were Conservatives or Liberals first, last and all the time, except at election time, and so the farming people decided they would have to find a new method of representation. They had up until that time sent such men here as the hon. member for South Huron (Mr. McMillan), a man who understands the rural problem, who knows what the farmers need, who knows now that this budget is no good to his constituency, but who because of affiliation with the Liberal party will vote for it, and go back to his constituency and justify it.

Mr. McMILLAN: I do not know that it is not a benefit to my constituency.

Miss MACPHAIL: Then the hon. gentleman is not as intelligent as I thought he was. As I was going on to say, agriculture said: This kind of thing is no good; we are going to organize ourselves as an industry. They said to themselves: Our politics is our business, and we have been foolish in letting other people look after our business; we will never do well that way; we will send people to Ottawa; we will choose them, finance and elect them; we will control them. These ideas were not as clearly defined in their minds perhaps as I have now stated them, but they were more or less clearly in the minds of the people who voted to send the sixty-five independents to the house in 1921. The idea was that these members would vote on issues as they found them in the house, that they would be attached neither to the Liberal nor the Conservative party, nor indeed be antagonistic to either, but be here to look after the interests of agriculture and be an agricultural group in the house. I want to review the comparative failure of the working out of that splendid idea.

In 1921, the sixty-five came to this house—and we must, in recalling what has happened since then, remember that the sixty-five were for the most part men who up until then had been either very ardent Conservatives or ardent Liberals. They were party people with a party bias—a very difficult mind to work independently with. We had not been here long till it became evident to everybody in our group, and I should think to everybody else, that there was dissension among us. I should say that three of the sixty-five were Labour members, and there was no dissension among them, nor between them and us. But from within our own group we lost two to the Liberal party. The dissension among the remaining members, arose on principle, not on legislation. On the legislation we wanted, we all agreed; but on method and in outlook we were two different groups, two schools of political thought, trying to function as one, and it could not possibly go on. The larger number believed in party politics. While they condemned parties, they sought to perpetuate a new party. We, a small group, did not believe in party politics. We believed in an altogether new psychology, which I shall try to make plain to you in a moment. If you think of the personnel of the sixty-five in 1921 and the personnel that are here to-day, you will see quite clearly that those who represent the new school of thought, have been returned while those who perpetuated parties while denouncing them with words were driven by the logic of events either into private life or into the Liberal party. Others again, as suits them better, are being driven a step at a time, which the government no doubt considers a step in the right direction. If I took my whole forty minutes I could not tell you what we suffered in 1921 and on down to 1925. The government secured two of our men, and thus gave themselves a party majority, and having done so the issues did not have to be debated on their merits. The legislative programs which the government brought down between 1921 and 1925 do not take long to enumerate. We got almost nothing out of them—the Crowsnest pass rates legislation excepted, we got nothing at all. We went to the country in 1925 because the Liberals had not lived up to their promises, because our farm group had not clearly understood what they were, because we lacked aggressive action and leadership. We were both very much discredited in the country, and only those of the new school and those who sit with our hon. friends opposite came back.

At that time it will be recalled that the government found themselves in a position where they had to do the will of the House of Commons—the will of the people of Canada. No doubt most uncomfortable for the government, but excellent for the people. In 1926 we got a legislative program from the government which was not their program, but the program that had been introduced into this house by the independent group by resolution during the four sessions between 1921 and 1925. Anyone who cares to go over the legislation of that time will find that I am telling the truth. We got a reduction in the tariff—the only real reduction the Liberal party has ever been guilty of; we got rural credits; we got old age pensions—not as good as it might have been, but certainly something worth while; we got the Hudson Bay railway. In fact we got very many things, and this legislative program captured the imagination of the people, with the result that the electorate sent back the Liberal government as you see it to-day. And they sent back the independent group that sits in this quarter of the house.

Mr. SPENCER: In increased numbers.

Miss MACPHAIL: Yes. The Liberal party benefited very much from having brought down for the consideration of the house legislation which met the approval of the country. That is what accounts for the Liberal majority in the house to-day. I do not need to tell them; I do not think they can deny this.

Before I proceed further let me say something about our idea. We are here not to

work as a party. In that awful session of 1926 we were accused every day of being Grits or Tories although as a matter of fact we were neither. We are not interested either in Liberals or Conservatives, except, personally; as a party we are interested in neither. We want such amendments in the rules and usages of the house as will enable new groups to function; that is, we want to come closer to having representative government than we have had it before. We believe that questions should be debated on their merits, that private members should be free to vote on legislation on its merits; and more than that, that private members should be able to introduce legislation and that this house should be free to vote on the merits of such legislation. As it is now, legislation is all cornered by the government, and only the legislation which the government approves of stands any chance of getting through this house.

A very considerable number of people in the country believe what we believe. They believe that our present system of government is outworn, that it possibly served its day, but that day is over, and they want such amendments in the rules and usages of parliament as will cause it more closely to resemble a representative institution. For instance, take the budget which the Minister of Finance has brought down. Whose budget is it? Is it the budget of the House of Commons?

Some hon. MEMBERS: No.

Miss MACPHAIL: Who planned the budget? Did the Minister of Finance take the members of the Liberal party into consultation, did he have their cooperative help, did he get the help of the Progressive-Liberals, or the Liberal-Progressives—I always forget their correct title—did he? No, he did not, I am sure of that. He brings the budget down, but it is not representative of the opinion of the House of Commons nor of the Liberal party. If the Minister of Finance is to bring down budgets in this way, well, the rest of us had better go home or go down to Keith's theatre. It looks to me as if the time must come when the government will have to be representative of the people. In a word, it is a Robb budget.

The time will come when the cabinet will be a committee of the House of Commons. The cabinet will be chosen from the house and be responsible to it. I look to that day with hope. I do not look for it soon, but I do think it is coming. Once more I want to quote from a leading Canadian to show that others than the few of us who sit in this corner of the chamber believe, that the two old parties as at present constituted are simply the cover under which class interests operate in this country. Sir Andrew Macphail in his Essays in Politics, published in 1909, said:

> We are living under the government of an interested class, who find a party in power and keep it there until it becomes too corrupt to be kept any longer; when it seizes upon the other party and proceeds to corrupt it.

Sir Andrew Macphail is not a man who makes rash statements. That statement should sicken any good Canadian, and yet I believe it is absolutely true. Of course, I think they pick the finest looking men for the cabinet; the privileged classes like to dress their windows to the best advantage. But, after all, the forces which operate through any cabinet are exactly the same. They are not the forces which look to the interests of the people of Canada; they are the forces which look to the interests of certain well-organized and wealthy classes in this country.

Now I come for a moment or two to the budget. At last we have a "stable" government, the government that the Prime Minister wanted. He made very entreating, very convincing speeches to the country that he must have a majority in the house before he could bring down legislation that was good for all the people, that he must not be hampered by having to submit proposed legislation to the house and be humiliated possibly by having it turned down. So he came back from the last election with a majority. He was joined by our Liberal-Progressive friends, lead by the Minister of Immigration (Mr. Forke) who thought—and possibly still thinks—that the Prime Minister needed greater numbers to bring good government to Canada. I want here to say that my heart aches for the Minister of Immigration. He is an honest, but a deluded man. So the Prime Minister comes back to the house with a majority, and now we are going to get legislation that is in the interests of all the people. We are going to get this thing that he has been desiring to give us since 1921. Last year, his first session, one could say that he had hardly begun, and the budget then brought down was not much; but we can overlook that. Now we come to the second year of his administration, and we get another budget. Well, if this budget is in the interests of the common people, then I certainly am not capable of representing their interests. We had the income tax reduced 10 per cent last session, and now there is another 10 per cent reduction, and we had the spectacle yesterday of the hon. member for North Battleford (Mr. McIntosh) getting up and entreating the rich men

of the Dominion to make anonymous donations to wipe out the national debt. I do not understand why there should be all this modest anonymity. Since we have started to quote Scripture in this chamber, let me cite the following words which I think describe the effect of the budget very accurately: "For he that hath, to him shall be given; and he that hath not, from him shall be taken even that which he hath." The budget plays with the tariff just as a boy plays with marbles to see how many he can catch when he throws them in the air. There is no real reduction in the tariff. No one knows that better than the Minister of Finance. If there is any reduction at all it is on things bought by people who could very well afford to pay higher prices. On the lower grade of cottons there is no reduction. Surely the Minister of Finance does know that the stretching of the percentage of labour and material that is to go into goods which enter under the British preference from 25 per cent to 50 per cent undermines the British preference. He does not think it was patriotic, does he? He does not believe it was in the interests of the common people, does he? I think not. I think the economic classes that control governments whisper very convincingly in the ear of the Minister of Finance, and he kept himself clear from the enlightenment that might have come to him from his western men. By listening to his own supporters and his stepchildren he might have heard the truth regarding this matter. But he shut himself securely away and so hearkened unto those highly organized and exceedingly wealthy groups who whispered to him what would look like a reduction in the tariff but would not hurt them in the least. I hope that my Conservative friends will not be further exercised about the manufacturers: I have no doubt they will pull through this year.

The history of the whole attitude of the Liberal party to the new groups since 1921 has been one of protestations of friendship which, if accepted, have proven to the honest the graveyard of their hopes and to the others a fulfillment of their treacherous plans. Speaking for myself, I would rather have the bitter, uncompromising, unfriendly and snobbish attitude of the Conservative party. At least it was honest and we knew where we stood. I often wonder why these Conservatives think they are so much better than other people.

Mr. BELL (Hamilton): They look at the Liberals.

Miss MACPHAIL: I never could understand it. Certainly, however, if they are ever to get into power they need to lose that characteristic as rapidly as they can.

Mr. CHAPLIN: You said that at least they were honest.

Miss MACPHAIL: They were honest in their bitterness towards us. Now, a very great deal of criticism is directed to myself and others any time we try to point out that economic groups do function under parties, and that the only thing for us to do is to come out as an economic unit and find a place in this house, striving to have the rules and usages amended in order that our people may be given real representation. The hon. member for Winnipeg North Centre (Mr. Woodsworth) the other day quoted in the house an article from the Atlantic Monthly which was reproduced in MacLean's Magazine of August 15, 1927. In that article, under the title "Money dominant in politics," the following sentences appear:

> These interest-groups, as we may call them, work for the most part within the ranks of the party organization. Indeed,—

This is an enlightening sentence.

> —the chief function of the party organization is to furnish a cover or screen for the political activities of groups which desire to keep their true objectives invisible.

This is perfectly true, and we say therefore that the only thing for us to do is to come out as an economic group—a class group, if you like, for I am not afraid of the word—and seek representation in the House of Commons —a genuine representation of the needs of our industry. Politics is a business, and agriculture being the basic industry in Canada, the most important single industry in the country, has a perfect right to find for itself honest and above-board representation in this house. I should not like to say that only functional or occupational groups should come to this house, but I do think that the two parties are simply that. I would not say that others should not come, but I do say that we live in an age of functional organization: and since political life is only a reflection of economic life it is only reasonable that these new class, or economic, or occupational groups in the country should seek reflection in the House of Commons and should not find it necessary—certainly I do not—to apologise for their place here.

When we have electoral reform, when the Canadian people grasp the idea more clearly, particularly when they know that the old parties are simply systems under which class groups operate we shall see an increase in

groups. The day will come when the members of our group, the members of the Labour group will increase, and when other groups not now named will appear and find representation in this chamber. When that happens the new groups will be too strong for either of the old parties to command a majority and carry on the government of the country in the old way. Modifications will have to be made and a new method found. It does seem to me exceedingly reasonable that the House of Commons and not the Prime Minister should decide when there should be a dissolution. Why should power be put into the hands of one man to determine when there shall be a dissolution of parliament and when the people of the country shall be called upon to bear the expenses of a general election? I know that some people have the idea that those of us who say these things are cranks. We are not. I am not saying, of course, that I am not, but I certainly say emphatically that the Canadian people are thinking new thoughts and that to them it does not seem at all reasonable that things should be as they are. Our institutions, whether educational or political, will change to meet the needs of changing times. That is only natural. I see no reason why we should not have a change in the form of our governmental institution to meet the changing views of the people, and in conclusion I would quote a great authority on this subject. Follett speaking of politics and of the old idea giving way to the new sentiment of co-operation, says:

> What we must get away from is "the hell of rigid things." This is a living life of the people and it must flow directly through our government and our institutions. We are not fossils—

Sometimes one would question that.

> —petrified in our social strata. We are alive. All is growing; we must realize this and free the way for growth.

It seems to me that the groups in the house are nothing but an indication of growth in the country. I should hate to bear upon my shoulders the responsibility which rests to-day upon the shoulders of the Liberal-Progressive group in this house. They have done much to discourage progressive thought in Canada: they have, to my mind, a great deal to answer for. Indeed, I should not care to be the Liberal party: I should not care to bear the responsibility—I am not sure whether it is parliamentary—of false friendship such as they have shown towards the new groups in this house, from 1921 to this day. But speaking personally, I say it is better for them to realize that we are not people who will one day be Liberals: we have no such ambition. We represent agriculture. We are not Conservatives; we are agricultural representatives, and the sooner this house knows that, the sooner they quit wondering whether we are Tories or Liberals, the better it will be for everyone concerned.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): In spite of the remarks of my hon. friend from Southeast Grey (Miss Macphail), in which she expresses an unfavourable opinion of this year's budget, I am glad to be able to compliment my colleague, the Minister of Finance (Mr. Robb) on the statement of Canada's business which he has presented for this year. It is but a reflection of favourable editorial comment which has appeared in the Canadian press from the Atlantic to the Pacific, and I believe, in spite of everything that has been said by hon. gentlemen opposite, that every man in this house realizes that we in Canada have readjusted our finances and re-established our national credit in a manner more satisfactory and more complimentary to us, since the war, than has any other nation in the world. What percentage of this credit is due to the self-reliance and industry of our people, what percentage to the acts of a benign Providence and what to the actions of the government seems, however, to be a matter for debate. But I think that anyone who has read the statements of leaders of finance and industry, or who has studied the Canadian figures of production, both agricultural and industrial, will admit that we in Canada since the war have as a people done some very remarkable things.

Some hon. gentlemen, speaking on the budget, appear to be unable to comprehend the national sentiment that prevails in this country. Probably they are too close to the accomplishments of the last five years; they are like the men who cannot see the woods for the trees. Let me place on record a comment made by a disinterested observer, a man with a great deal of knowledge of the affairs of the world. Mr. Marcosson, writing in the Saturday Evening Post, used the following words:

> Equally provocative of comment is the existing Canadian prosperity; the tides of Dominion internal and external trade were never quite so high or the national bank roll of Canada so securely entrenched. All the costly economic hangover of war is completely out of the Canadian system; the country faces an era of unprecedented development.

That comment coming from such a disinterested observer is worthy of a great deal of consideration in this Dominion.

It is a remarkable fact, Mr. Speaker, that each successive budget since 1922 has been met by hon. gentlemen opposite with the statement

that the industrial life of Canada is facing ruin and that the budget under discussion will complete that ruin. Unemployment has always been cited in this house as an evidence of the lack of appreciation of industry by the government—this government always has been accused by hon. gentlemen opposite of being unwilling to consider the unemployment of labour in Canada. To me it is very difficult to explain, except for one particular reason. Our estimated population in 1914 was about 7,693,000; fourteen years later, in 1928, our estimated population is about 9,519,000, or an increase of practically 2,000,000 in the population of this country during a period of fourteen years. Yet we are told that Canada is not growing.

That population has been absorbed, Mr. Speaker. The figures of employment in industry show a remarkable increase, and yet hon. gentlemen opposite are quite honest in their expressions of opinion, and those expressions of opinion can find some unemployment figures to support them. In this Dominion we have at the present time tens of thousands of artisans and sailors who are out of work, and who are not worrying about it. They expected to be out of work; they made provision for it, and now they are getting ready to resume their spring operations. These men are not now and never have been a problem of employment in Canada. I come from a district in western Ontario where every town has its full quota of sailors who are now enjoying our Canadian winter sports, having fully expected to take a two months' holiday in the winter before starting work again in the spring. In addition to these men, however, we always have the newcomer; we always have had him and always will have him. He is a man who in many cases has not adjusted himself to the fact that in Canada many occupations are seasonal, and he is an ever present problem for municipal and provincial governments. Until such time as he realizes that his occupation is seasonal and that during nine or ten months of work he must make provision for the remainder of the year he will always say that Canada cannot produce enough jobs to take up the entire twelve months. That is something which we must admit in this country.

Now I want to speak of this question of unemployment from another angle, and first I would like to read a statement from the industrial employment bureau:

> There was a very noticeable decrease in employment in the textile industry. A seasonal curtailment was reported in the boot and shoe industry and many of these factories are operating on part-time schedules. Operations in several lumbering sections of the country were greatly curtailed during the past thirty days, and a large surplus of this class of labour was reported.

Hon. gentlemen might consider that a very unsatisfactory state of affairs, and probably it is, but this statement does not deal with conditions in Canada; it is issued from Washington and covers conditions in the great republic to our south. They also suffer there from this same problem of seasonal employment. While hon. gentlemen opposite may discuss unemployment in Canada, as they have a perfect right to do and in connection with which they have reasonable figures, and while it must be admitted that there is a certain amount of unemployment in cities like Toronto, Winnipeg and Montreal, yet one has but to read the industrial press of the United States to learn that of the 42,000,000 workers in that country to-day 4,000,000 are unemployed, or 10 per cent of the total. That is admitted by the statisticians at Washington and by the leaders of the trades unions. The condition in Canada is entirely due to seasonal employment, and does not in any way reflect a condition comparable with that existing in the United States.

In this connection I would like to place a few figures on record. In 1921 the unemployment in the Dominion of Canada, not from the figures of the government but from those of the trades and labour coucils, represented 12.7 per cent of their total membership. By 1927, however, we find that we have absorbed those newcomers to our country so well that the percentage has gone down to 4.9.

Mr. HANSON: They have gone away to the United States.

Mr. MALCOLM: Just a moment; I will answer that point very quickly. On the other hand, in the United States the unemployment this year represents 10 per cent of their total workers. My hon. friend says that the Canadian unemployed have gone to the United States. Let me read the employment of industries, and we will see:

> The year 1927 was characterized by steady advances in manufacturing, in which activity was greater than in any other year since 1920; on December 1, the index was, in fact, higher than on the corresponding date in all other years of the record, including 1920. Statistics were received from some 3,875 manufacturers, employing, on the average, 472,286 operatives, as compared with 452,392 in 1926—

That showed an increase of the operatives of the reporting firms themselves, on their own figures, of 20,000 in the one year.

> —while the mean index, standing at 95.6, compared satisfactorily with an average of 92.1 in

the preceding year. Practically all divisions of manufacturing shared in the generally favourable movement. Especially noteworthy were the gains in the iron and steel, pulp and paper, food, rubber and textile groups, which together employ a large proportion of the workers engaged in manufacturing processes.

My hon. friend can have that statement verified by the figures of production in Canada, which I would like to give him. In the year 1926 the total value of the products of Canadian industry reached the enormous total of $3,250,000,000. That represented exactly a million dollars a day more industrial production in Canada than in the year 1927, and the increase of 4 per cent in employment in 1927 over 1926 indicates that the industrial production in this country in the year just closed will reach the enormous total of something around $3,450,000,000. The figures of actual production supplied to the statistical department by the industries themselves and the figures of employment supplied by the industries both tally with the figures of the labour organizations of Canada, and show irrefutably that Canada in the past fourteen years has absorbed practically two million people who have come to her shores, and that unemployment other than seasonal does not exist in this Dominion. Mr. Speaker, it is an interesting fact that we never hear of unemployment in Canada between May and December, it is never a question of discussion anywhere in this country. It so happens however that this house meets just at the time of the year when seasonal unemployment exists, therefore statements made on this side as to employment and statements made on the other side as to unemployment can both be substantiated.

Mr. BELL (Hamilton): Has my hon. friend not been informed that people who had been working three days a week in their thousands are now working two days a week in order to spread out the employment?

Mr. MALCOLM: That does not agree with the figures of total production. There may have been part time employment in some industries, but when the figures of total production for the manufacturing industries of the Dominion are compared and found to be in direct ratio to the employment figures and the increase therein then there can be no sound basis for the argument my hon. friend advances.

Mr. HEAPS: I wonder if the minister would care to answer a question?

Mr. MALCOLM: Yes.

Some hon. MEMBERS: No, no.

[Mr. Malcolm.]

Mr. SPEAKER: Order.

Mr. HEAPS: The year 1921 was the year of deflation when large numbers of men were thrown out of employment. But in the previous year, 1920, there were probably 100,000 more men employed in industry than at the present time. Why not take that year?

Mr. MALCOLM: There is something in what my hon. friend said for this reason: Taking the statistics referring to employment —and I have never denied this fact—1920 was the peak year of the post-war boom—we all admit that—and it was in that year that our index number was based on 100. But what we are concerned with at the moment is the decreased employment at the time this government took office in the spring of 1922, together with the figures of employment to-day, showing as they do to hon. gentlemen oposite that their contention that the successive budgets we have introduced have done nothing to increase the activity of industry in Canada is not fair and is not correct.

Mr. MACDOUGALL: I wish to ask the minister if his attention has been called to a report in to-day's press of a speech made by the Minister of Labour—

Mr. SPEAKER: Order.

Mr. MACDOUGALL: —in which he says unemployment is the biggest problem in Canada to-day.

Mr. SPEAKER: Order.

Mr. MALCOLM: I should be happy to answer my hon. friend's question.

Mr. SPEAKER: I do not think it is fair, now that we are under the forty minute rule, to interrupt an hon. member who has the floor unless with his express permission.

Mr. MALCOLM: I am quite satisfied to answer the hon. gentleman's question.

Mr. MACDOUGALL: I was quite certain when the hon. gentleman resumed his seat that he was willing to answer the question. My question is this: Has the minister's attention been drawn to a report in to-day's Montreal Gazette crediting the Minister of Labour, one of his colleagues, with the statement that unemployment is the most serious problem that Canada has to deal with at the present time?

Mr. MALCOLM: I have not heard that statement, but I think my hon. friend is fair enough and broadminded enough to realize that at the present time, as always at this time of the year there is sea-

sonal unemployment. That is the situation which has always prevailed in Canada and always will prevail.

It is not possible for me in the forty minutes time allotted to deal with many phases of the budget, but there are certain particular matters I should like to discuss. The budget of my hon. colleague the Minister of Finance may be subjected to criticism by some members in the opposite corner of the house on the ground that it was a rich man's budget; it may be criticized by other hon. gentlemen opposite on the ground that certain reductions in tariff items were too severe, but I will say that the general effect of the gradual sales tax reduction which my colleague has introduced meets with general approval all over Canada as does the reduction in the income tax.

An hon. MEMBER: No.

Mr. MALCOLM: I am not saying that it meets with the specific approval of every man in Canada. Any man who could win the approval of the members in every corner of this house has no right to be on earth. I am prepared to say also that any man who could get the general approval of every member of the house half the time should be translated. But speaking generally the budget has been well received across Canada.

Miss MACPHAIL: Do you think—

Mr. MALCOLM: I did not interrupt my hon. friend from Southeast Grey and I would ask the same courtesy that I extended to her.

I should like to deal with the criticisms on trade matters which have been presented to the house. They can be divided into five points. In the first place there is the criticism that we are exporting too much to Great Britain in comparison with the amount we import from her. Secondly there is the criticism that we are importing too much from the United States in comparison with what we are exporting to that country. In the third place our trade balance is criticized on account of its decline. In the fourth place we are criticized for exporting raw material and in the fifth place our trade treaties are under criticism as not being favourable to Canada.

With reference to the first item namely that we are exporting too much to Great Britain and not importing enough therefrom, may I ask how many hon. gentlemen in the house realize that we keep our trade figures as trade figures only, that in reality we do not know the destination of many of our exports. We know that Great Britain is the greatest distributing and greatest trading nation in the world; she does not begin to consume anything like the percentage of goods which we credit to her in our export figures. For example, Great Britain herself admits the redistribution of 83,000,000 bushels of Canadian wheat. She admits also the redistribution of a great deal of flour ground from Canadian wheat. The total export figures of the North American continent, and they have to be taken together, show an export of 170,000,000 bushels of wheat from Canada to Great Britain and of 17,000,000 bushels from the United States, whereas Britain's figures of import show only 104,000,000 imported from the two countries. Hon. gentlemen in this house know that the British merchant who buys a cargo of grain on this side has the option of chartering a vessel and transferring that cargo to one probably of four or five points. The cargo may be transferred to Rotterdam even if its possible destination is in Switzerland. In so far as our figures show the export is made to Britain and Britain is credited with that export. Now practically all the European countries keep their trade figures on a country of origin basis so that our statistics of trade in the total are correct; but they do not show exactly our trade with these other countries. Switzerland claims to import a very great deal more wheat than our figures show. France claims to import $11,000,000 of Canadian products in excess of our trade figures. Germany claims an import of twenty-four or twenty-five million dollars more than the imports which we credit to her. In fairness I want to say that there is no loss of trade. The British exporter is able to distribute our products probably better than we could distribute them ourselves, so that no loss of exports occurs. The only difficulty that arises in the whole situation is the problem of finding who our final customer is and allocating the business to the proper countries. That problem has been confusing to the statisticians of the world for several years. It was a subject of very vital study at the conference which was held last month in Cairo at which Canada had a representative. It will be much better if we can ultimately have figures on a country of origin and country of destination basis as we will then have a better opportunity of judging our trade with given countries. It is safe to say that if our trade figures were absolutely correct on the country of origin and the country of destination basis many of the compliments or much of the criticism with regard to our trade with given countries would have to be completely reconsidered.

With regard to our imports from the United States which are supposed to be excessive, practically the same problem in another form presents itself. The United States, like Great

Britain, is a trading country of great magnitude. On account of its proximity to Canada it is a convenient country to buy from, and it has special advantages in importing due to its great population and its ability to import in bulk cargoes. A great percentage of the purchases made through United States wholesale houses by Canadian merchants are made as a result of convenience and their ability to import in large quantities. Moreover, many of the raw materials which we use in our industrial life come through the United States but are not of United States origin. Probably the rubber industry is the most outstanding example of this. Ninety per cent of the cotton used in the rubber industry is Egyptian cotton, so I am informed by the chairman of the association, but it is bought on the Boston market. The rubber used in this industry is imported via the United States, but it all comes from the Straits Settlements and Malaysia. Therefore we have this anomaly that as regards teas, coffees, spices and other agricultural products, which come in great quantities from agricultural countries and are collected in the United States, we are crediting to the United States in various items tens of millions of dollars which, if we were crediting our imports to the country of origin, would really be credited to some part of the British Empire.

Mr. CHAPLIN: We have always done that.

Mr. MALCOLM: I appreciate that fact. I am pointing out to the house that in dealing with our statistics of United States imports, we should divorce from them the figures which represent imports really from within the empire. Furthermore, it is not fair to allow such imports to stand as United States imports for another reason. I may say in passing that a distinguished British visitor whom we had here recently was quite interested in the problem and I believe he is making a study of it. We are endeavouring to develop trade within the empire. We are trying to show that we are patronizing, as far as we can, other parts of the empire. At the same time so long as we are not able to segregate our empire imports which come to us via the United States, we do not give credit to the other parts of the empire for the purchases we really make from them, and so long as we export through the United States we are not receiving credit ourselves for doing business within the empire.

In the third place we have heard a good deal of criticism with regard to our favourable trade balance declining. The decline in our favourable trade balance, which to-day stands at $156,000,000, is to be admitted; but it is also to be admitted that the favourable trade balance which we have is the largest favourable trade balance of any country in the world, and while a decline has occurred, it can easily be accounted for as the speeches of some hon. gentlemen opposite have already indicated in this debate. The total decline in our exports is due entirely to the decline in value of agricultural products. As regards wheat alone, the average value of a bushel of wheat for the calendar year 1927 was $1.41; for the year 1926 it was $1.52, thus reflecting an average lower value in the price of flour of thirty-five cents a barrel. Indeed it may be said that all agricultural products taken together account for a greater decline, not in the volume of our trade, because the volume of our trade is as great, but in the dollar value of our exports, than the total decline. The interesting side to this question is that the value of our non-agricultural products, that is, our manufactured articles, has actually increased during the past year. That again, I will say to the hon. member for Lincoln (Mr. Chaplin), bears out the contention that our industrial development has been increasing during the past year.

As there has been criticism in this house that we are exporting too much raw material, let me give this statement as being absolutely sincere and true, namely, that compared with United States exports, the percentage of all exports that leave Canada in manufactured form is something of which every Canadian has a right to be proud and is a steadily increasing quantity. I am sorry I have not the correct figures of exports of raw materials by the United States during the past year, but I know it amounts to about 39 per cent, whereas we exported raw material to the extent of 46 per cent. Their manufactured exports plus semi-manufactured exports amounted to 53 per cent, whereas ours amounted to about 46.6 per cent. Thus it is seen that the United States is about six points ahead of Canada. A very interesting factor however comes into this question of exports, namely, that of our total exports of raw materials, amounting to $578,000,000, no less a quantity than $340,000,000 worth is represented in the value of our wheat, whereas in the total export of United States raw materials a very much smaller amount, which I am sorry I have not under my hand as I left the sheet in my room, is represented in the value of wheat. If from these figures we divorce wheat, which is one of the great commodities which we are exporting to a far

greater extent than the United States, it is seen that we in Canada are exporting as high a percentage of manufactured goods as is the country to the south.

There is one point on which I should like to speak for the benefit of my Progressive friends. Some people have argued in this house and, indeed, it has been argued in the country, that an industry should not be supported by governments unless it is indigenous to the country. May I point out that, with each passing decade, with increasingly easy lines of communication and especially lines of transportation, the world is becoming more and more of an economic unit. To my hon. friends who say that we should not export raw materials I should like to point out the very significant fact that in 1870 the cost of moving freight on American railways worked out at 1.89 cents per ton mile; while in 1926 the cost of moving freight on Canadian railways worked out at one cent per ton mile. Even these rates are high in comparison with water transportation. The cost of moving grain from Port Arthur to Port Colborne by boat on the great lakes is just one-eighth of the cost of moving any commodity by rail; the rates on grain work out at less than one-eighth of one cent per ton mile. Water transportation has in fact become so cheap that every great seaport in the world has very favourable rates as compared with every other great seaport and we have ceased to measure by distance; we are measuring now entirely by carriage rates. It is notable that products of tropical countries are moving more freely from those countries for processing to the temperate zone, and that practically all of the products of tropical countries are now being processed in countries such as Canada. What is the reason for this? There are, I believe, three reasons to consider. First, there is the superior skill of our people; secondly there is the ability of a skilled people to harness the powers of nature in the work of turning a raw material into a finished product, and, thirdly there is a great potential market for the commodity in the country in which it is being processed. Canada is a very notable example in this regard. We are to-day importing raw materials from the four corners of the globe; we are becoming an industrial nation, the second industrial nation of the British Empire. This is a position of which we are proud and which we intend to maintain, and we are doing thirty per cent of this business on materials which we do not produce ourselves. I would like to give to the house and to put on Hansard a few very interesting figures with regard to this group of industries

Take that great group of industries of which iron and steel are the basis, and which some day will use Canadian ore—I hope soon, because up to the present time ninety per cent of the ore used in Canada comes from either Newfoundland or the United States. We find that in 1926 that group employed 103,500 persons, paid $137,000,000 in wages and salaries, manufactured materials to the value of $258,000,000, and produced products to the value of $505,000,000, adding a net of $247,000,000 to the wealth of Canada. Practically all the iron which is the basis of that group of industries came from other countries.

The story of rubber is probably one of the most amazing stories of any product. The rubber industry has grown tremendously in the last twenty-five years, and probably deserves consideration from the people of Canada to an extent that very few other industries do. Bringing its raw products from the opposite side of the world it has developed to the point where it is not only supplying the needs of Canada but has become a very important export factor in this country. It has grown to enormous proportions. It employs about 15,000 people, pays $15,000,000 to $16,000,000 in wages and salaries, produces commodities to the value of $80,000,000 or $90,000,000, which with some other commodities produced in smaller plants will make a total of $100,000,000. Its exports of its own products amount to $26,000,000, and with other rubber articles exported the exports probably reach a total of $30,000,000. Yet all the raw commodity comes from other countries.

Our tobacco industry employs about 8,000 people, and produces goods to the value of $65,000,000, and until recently this industry has been based upon a raw material which is imported.

Our sugar industry employs about 3,000 people and produces goods to the value of $65,000,000.

Our cotton textile industry is to-day employing in Canada 22,000 people, and producing goods to the value of $86,000,000, and every pound of cotton, its raw material, comes from some other country.

Ninety per cent of all the crude oil used in the petroleum industry in 1926, the products of which were worth $71,000,000, was imported.

A very interesting industry which we have developed in Canada is the aluminum industry. Bauxite the raw material used in that

industry, is brought from British Guiana by water to Quebec, and by virtue of our cheap power the industry has been established there. These industries, which are all using raw material imported from abroad, have been established here by virtue of the potential market in Canada, by virtue of the superior skill of our people, by virtue of our knowledge in harnessing the powers of nature, and in addition, by virtue of certain political advantages in the form of British preferences which have enabled them to enter the export field. By virtue of her preferred position Canada is to-day exporting to seventy-five or eighty different countries.

We have had a policy in the Dominion of Canada, for which I am proud to give full credit to a former Minister of Trade and Commerce in another government, of creating trade agencies and establishing steamship communication. That policy has been of inestimable value to this country. If the house could read the many letters in the department showing appreciation from Canadian industrialists as to how much this assistance has meant to Canada's export industry, I am sure they would be proud of the service, I am surprised to hear some hon. gentlemen say that Canada should not be manufacturing anything except those things for which she has the raw material. If we took away from the industrial life of this Dominion the raw materials which by reason of our climatic conditions we cannot produce and must import, I am afraid that the whole industrial fabric of the Dominion would fall.

I am also prepared to say to my hon. friends opposite that so long as we expect the nations of the world to allow us to take raw materials from them which we do not produce, we cannot afford as Canadians to refuse to give to them some of the raw materials which we have in abundance and which they need for fabrication in their own country.

I want to place on Hansard a few more figures showing whether the policy of this government has been injurious to the various industries with which I have been dealing. It was said in 1922 that industry would languish in Canada if the policy of this government was put in force. I do not think that has been the case, Mr. Speaker. The hon. member for East Toronto (Mr. Ryckman) the other night made a most amazing statement when he said that industry—manufacturing, I think, was the word he used—was stagnant in Canada. My hon. friend is one of the leaders in the rubber industry. No one knows that industry better than my hon. friend, and he knows that in 1922 the employment in the rubber industry in this country was nothing like it is to-day. In 1921 there were twenty-six manufacturers of rubber products in Canada, employing an average of 8,586 people.

Mr. CHAPLIN: You did not change the duty on rubber. That is the reason.

Mr. MALCOLM: I admit that, but I will give my hon. friend an illustration the other way in a moment. To-day that industry produces goods to the value of almost $100,000,000. I say to my hon. friend from Lincoln (Mr. Chaplin) that we did not change the duty, but we did change the trade treaties with certain countries, and that gave them a market. My hon. friend also realizes this, that the most notable industry in Canada as an example of not hiding behind the tariff is the rubber industry. That industry deserves the compliments of the people of Canada in this, that in no size of tire is its price over eight per cent higher than in the United States, and on some smaller tires it is lower. They have been able to establish an export trade in foreign countries where we have no trade privileges, and where they have had to compete with the other countries of the world. The rubber industry, I think my hon. friend will admit, has grown very materially in this country.

The policy of the Liberal government has always been to encourage, by trade treaties, wider markets, and my hon. friend, in speaking of trade treaties, must remember this, that from the time we came into power up to the end of March, 1927, we have made fourteen trade treaties, and to these countries we have sold $7,700,000 of rubber products. In 1921 our total exports of rubber products were only $800,000. To Australia, New Zealand and the British West Indies, countries which in recent years have received more favourable trade treatment, the rubber industry sold goods in 1922 to the amount of $600,000, while to-day that figure has reached over $6,000,000.

Canada is going ahead in spite of the cries, the odd cries, of ruination. I will admit they are odd, and in fairness to the leader of the Conservative party I am glad to say that they do not come from him. He has not upon any occasion that I know of made statements of that kind. We as Canadians have a right to be proud of our country. We as a government are prepared to face criticism by the opposition of our methods of administering the affairs of the country, but with the figures in front of us of our industrial production and industrial employment I say

that if we put our shoulders to the wheel of developing this country, and confine our criticisms to each other, and not to the Dominion, we shall make very much greater progress than was made when the Dominion was a target for attack.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker—

Mr. SPEAKER: Before the hon. member proceeds, I should like the chair to be supported in this. There were many interruptions a moment ago, with the result that I had to give a few minutes more to the hon. Minister of Trade and Commerce in order that he might complete his sentence. Under the forty-minute rule if interruptions are too numerous speeches are so cut up that in many instances the meaning of the hon. member who has the floor may be obscured. On this point let me quote Bourinot:

> Whilst a member is addressing the house, no one has a right to interrupt him by putting a question to him, or by making or demanding an explanation.

Of course, the member addressing the house may give way through a sense of courtesy, but unless that express consent has been given no interruption must be attempted.

Mr. EDWARDS (Frontenac): Mr. Speaker, you have had a long and distinguished political career and you are well known as a very keen observer of men and events. I am sure, therefore, that you will have noted that one of the peculiar characteristics of the present government is the facility with which its members forget its discreditable acts, and also the ease with which they attribute to others the sins that they themselves have committed. We have had many exemplifications of this in the house, and we had one a few days ago during the course of the speech delivered by the hon. member for Fort William (Mr. Manion) when the hon. Minister of Justice (Mr. Lapointe) and the hon. Minister of Railways (Mr. Dunning) sang a duet in regard to the "shadow" government.

It is quite true, Mr. Speaker, that the government formed by the Right Hon. Arthur Meighen in 1926 was not representative of a majority of the votes in the Dominion. It is quite true that the Conservative party in the house at that time represented only 46.8 per cent of the vote polled in the preceding election. But it is also true that the party represented by the usurping government of Mr. King received the support of only 40.11 per cent of the votes polled in that election. It is quite true that Mr. Meighen had to select his cabinet from 116 members returned at the previous election. It is also true that the Liberal party selected their administration from only 101 members returned at that election. It is true likewise that the Conservative party in the election of 1925 polled 201,062 more votes than did the Liberal party who usurped the reins of office; that the government of Mr. Meighen in 1926 represented 133,396 more votes in the election of 1925 than the present Liberal government has backing them now; and that the Meighen government of 1926 represented 48,117 more votes than were polled by the Liberal candidates and their Liberal-Progressive allies in the last election. It is likewise true that on June 25, 1926, the King government was defeated three times in one day. It is also true that when a vote of censure was pending the Prime Minister hastened to the Governor General to try to get a dissolution. It is also true that the then leader of the Progressive party, the present Minister of Immigration and Colonization (Mr. Forke), gave his solemn written pledge to the Governor General that he would stay with the session and with the government until the business of the session was finished and supply voted. It is also true that the pledge was violated. It is further true that subsequently the government of Mr. Meighen was defeated in this house by a majority of one, through a member of the Progressive party polling his vote inadvertently. It does seem to me, sir, that it does not come with very good grace from any of the ministers of the government opposite to talk about "shadow" government.

How is their government composed at the present time? The Minister of Trade and Commerce (Mr. Malcolm) and the Minister of National Revenue (Mr. Euler) are well-known protectionists; the minister of Agriculture (Mr. Motherwell) occupies a doubtful position since he has two opinions on everything, one a public opinion and the other a private; while the Minister of the Interior (Mr. Stewart) nails the black flag to the mast and declares himself for the "death of protection." I would call the present government, because of their peculiar career, a zig-zag government, and I would suggest that each member of the cabinet should wear on the lapel of his coat, and hang around his neck by a black ribbon when he puts on his Windsor uniform, a large letter "Z" made of brass. I suggest that letter because it signifies a zig-zag government; I suggest it be made of brass for very obvious reasons. I think something might be added to that, a little emblem in a convenient place worn by the Minister of Trade and Commerce and the Minister of National Revenue with the representation of a strong wall to signify that they are protectionists; on

the emblem worn by the Minister of the Interior there might be inscribed the skull and crossbones to signify the "death-knell of protection"; a question mark on the one worn by the Minister of Agriculture would indicate his doubtful position; and a representation of a forest on the one worn by the Minister of Immigration would signify that he was still wandering or lost somewhere in the political wilderness.

I recall very distinctly the attitude taken by the present Minister of Immigration when he was leader of the Progressive group in 1924, 1925 and 1926, how he stood forth in the front rank of that party and declared:

> If anybody in this house thinks the Progressive movement is done, he is vastly mistaken.

How he declared further:

> Whatever changes may take place in the cabinet, the Progressive group will remain intact and carry on as in the past.

And how in 1925 he chided the Liberals—with whom he now sits—for their broken pledges. He saw little difference between Liberals and Conservatives then. He did not think if the Conservatives came into power they would raise the tariff very much, and he was even willing to join them in a coalition. You will find, that sir, in his speech at page 3967 of Hansard for 1925. I quote from a speech he delivered in Winnipeg on September 17, 1925:

> Absorption of Progressives by Liberals under whatever guise would postpone for a generation necessary reforms, reshaping of national policies, infusion of that moral courage and idealism which slavish partisanship has well-nigh destroyed.

There he stood forth, the admiration of all those whom he led at that time. He waved his claymore in the air and he shouted:

> "Come one, come all! this rock shall fly
> From its firm base as soon as I."

And encouraged by the applause of this open defiance of all and sundry at that time, he turned to right and to left and said:

> "With such a small majority this government can well be blocked by three.
> Now who will stand on either side and keep the bridge with me?"
> Up spoke the member for Lisgar, an old time Grit was he:
> "Lo, I will stand on thy right hand and keep the bridge with thee."
> Then up spoke the member for Southeast Grey, a U.F.O. was she:
> "Lo, I will stand on thy left hand and keep the bridge with thee."

And so they went forth to battle. But what happened? Two of them threw their swords down at the entrance to the bridge and struck for the other side as fast they could run. They are sitting over there now, one of them having realized his ambitions to the full extent of ten thousand and one. One of these ambitions is not an unworthy one, namely, the honours of office, the other ten thousand being represented by a dollar apiece. As to the member for Lisgar (Mr. Brown), he went on the strength of hopes which are vain and, I fancy, will never be realized.

Now I want to make a few remarks regarding the national debt. During the war years and the years immediately following, not one dollar was added to the public debt of Canada for any other than war purposes or purposes arising out of the war. Moreover, not only did the Conservative party in those years administer the affairs of the country out of the revenue but they paid off $698,809,700 of war obligations. I remember the sessions of 1917, 1918, 1919 and 1920. Seventeen appropriation bills were put through this house covering a total of $1,755,000,000, not one dollar of which was ever challenged; nor was the integrity of a cabinet minister ever called in question. I call attention to a few of the burdens which were borne by the Conservatives in those years and from which the present government was relieved: $164,000,000 paid in soldier gratuities; $102,000,000 paid in soldier civil re-establishment; $80,000,000 paid in soldier land settlement; $90,000,000 paid in pensions to soldiers; $10,000,000 paid in soldiers' technical education; and $7,000,000 paid out in soldiers' insurance. These items alone total $453,000,000. In his budget speech the Right Hon. Mr. Fielding, in May, 1922, spoke about surpluses, just as the present Minister of Finance (Mr. Robb) does, but he was a little more candid. He said:

> "The result of the operations for the year just closed is that while we have, according to one calculation, a surplus, we have to acknowledge an addition to the public debt of $86,417,000."

The very next year Mr. Fielding, in introducing his budget, again spoke of a surplus, just as the present Minister of Finance has done, only more candidly. He had this to say:

> So far this is a story of surpluses; but there is a further statement to be made which quite destroys that happy picture. There were charges for advances to railways of $97,950,645. If we take the whole expenditure for the year, ordinary, capital, special and railways, there was a deficit; and, allowing for certain deductions, the net result was that we added to the public debt $81,380,864.

I ask, why was not the present Minister of Finance equally candid? He said that the chartered accountants had certified in their report to a reduction of $105,942,498 in the net debt of Canada for the period from 1924 to 1927. The hon. member for St. Lawrence-

St. George (Mr. Cahan) referred to that claim and punctured the argument by simply quoting from the report of the chartered accountants, which made it very clear indeed that in the statement they made they did not include the issues of the Canadian National railways guaranteed by this Dominion. The present Minister of Finance claims a reduction in the debt for the last year of $41,896,000, but he ignores railway guarantees of $46,000,000. He claims a reduction of $105,000,000 in the debt in 1924, but he ignores guarantees of $168,000,000 for the same period. That, I contend, is not dealing candidly with the people.

With reference to the reduction in taxation referred to by the Minister of Finance, he seeks applause for reducing taxes which his own party imposed—an increase in the sales tax, an increase in income tax and receipt tax, and so forth—which did not exist under the Conservatives—and an increase on cheques. These are now being gradually reduced and the government is asking credit therefor.

I remember that previous to 1921 the Liberal party were very insistent in declaring that if only they were returned to power they would show that a government that exercised proper economy in their expenditures would not find it necessary to extract all these taxes from the people. Well, we took in the last year of the Conservative administration, in these various taxes, some $73,000,000. How much was collected last year? The amount taken in was $105,613,160, or over $32,000,000 more than was taken in the last year of Conservative rule. Has there been economy in expenditures? I think not.

I have in my hand some figures taken from a return which I asked for last session. It may be news to some in this house perhaps, and I am sure it will be to the people in the country, that we have under this government 623 motor cars for the use of various departments; that there has been spent on these cars, in first cost and repairs and maintenance and chaffeurs' livery, as well as for other things in connection with their use, $1,311,198; and that the ministers themselves have run up a bill for their cars and chaffeurs of $164,640. Adding to that the fact that they had their private railway cars—some ten—one of them the Acadia for the railway commission, to which no one will object; three for the governor general in 1922 and two since that time; for the ministers themselves, five in 1922 and six in 1923; seven in 1924; four in 1925, and six in 1926. I find that we have paid out for these private cars $376,877. For the ministers' private railway cars and their motor cars, it has cost the country so far some $541,000. That does not seem to me to indicate any reduction in expenditures along proper lines. This is for the last two years.

I wish now to refer for a few moments to the question of immigration. In discussing this subject the hon. member for St. Lawrence-St. George struck the keynote of the whole situation when he said that the question of keeping our own population here and inducing others to come to Canada depended upon the rate of wages paid in this country and the ability to provide our men in this Dominion with employment. So far as wages are concerned, I have this to say: A country paying low wages may successfully cultivate free trade; a country paying high wages must cultivate protection. Wages in Canada are governed largely by wages in the United States; Canada cannot pay high wages and compete with the low scale of wages paid in Europe and Japan, for instance. So long as the products of the United States are protected and wages are high, Canadians will go to the United States and Canada will be simply a nursery for that country. We will continue to raise boys and girls, educating them at enormous expense, only to lose them to the country to our south.

Now, Mr. Speaker, much has been said on this subject of immigration, and there are one or two things I would like to bring to the attention of the house. First I must say that when the United States adopted the quota system, and by that means closed their doors to over a million immigrants, this country had the greatest opportunity ever given any country to increase immigration. That quota system reduced the number of immigrants coming to the United States from 1,218,000 to 168,184 a year; it applied to all countries with the exception of Canada and Mexico. I find that in the four years from 1911 to 1914, under Conservative rule, 554,298 British immigrants, 501,700 immigrants from the United States and 396,633 immigrants from other countries entered Canada, a total of 1,452,631 or an average for the entire four years of over 1,000 immigrants each day. Then let us consider the past seven years; under this government; 361,834 immigrants entered Canada from Great Britain, 175,553 came from the United States and 273,953 came from the continent of Europe, a total of 811,340, or an average of 317 each day as compared with the Conservative average of 1,000 a day, yet this government had a distinct advantage because of the adoption of the quota system in the United States.

Let me proceed a little further. For the last five years the total British immigration to Canada has amounted to 248,552; the total number returning from the United States, including Canadians, British and naturalized Canadians amounted to 227,953, or a total addition to our population in that five year period of 476,505 British and Canadians. At the same time, however, and during the same period, the number of Canadians leaving this country for the United States amounted to 598,402, so from the officials returns of both the United States and Canada we find that we sustained a net loss during that five year period, under this government, of 121,897 British and Canadians, while we brought in to take their places 226,163 foreigners from continental Europe.

I have not a word to say in regard to foreigners coming to this country; many of them make first class citizens, and we welcome those who come to Canada with the intention of becoming British subjects in every sense of the word. I do say, however, that our immigration policy should be so framed as to permit the British element to predominate. I would also like to point out what this loss of 200,000 Canadians means to this country. It means a loss of a billion dollars of capital invested in raising and educating these boys and girls; it means the loss of a home market for $17,500,000 worth of farm products and $48,660,000 of manufactured goods; it means homes established in the United States which should be established here. The average value of each citizen to the state is $2,000, which means an annual loss to Canada of $400,000,000, and it means the loss of our best, to be replaced by those who are to say the least not so efficient. I say, Sir, that so long as a policy is followed in this country which makes it difficult for Canadians to get work here at remunerative wages, our Canadians will cross the line to get the work which they must have. Moreover, I say that so long as we follow a policy which deprives the dairymen and farmers of our country of their rights and makes it difficult for those industries to carry on, we can offer no inducement to immigrants to come to this country and go on the farms. Take the figures in dairying, fruit and vegetable growing and sheep raising in Canada; these show no inducement to any person understanding the situation to come from the old country and go into any of those lines of industry here. Everything possible has been done to discourage people from following those pursuits.

Just here I should like to again refer to the McConachie case, and again to direct the attention of the minister to that case. McConachie is a Scotchman who fought in the war, afterwards coming to Canada to work and make a home. Then he sent for his wife and five children to join him in this country. Before leaving they were inspected by two government doctors, and they underwent a further inspection on the boat, being passed by all three examiners. When they came to Halifax, however, the little fourteen-months old child was turned down and ordered from the country. I speak of this again because I want to appeal to the Minister of Immigration on behalf of that family. The records show that the minister issued permits to persons almost blind, and to others reported by his own officers as feeble minded; he placed his signature on a permit which allowed a thief to remain in this country, but apparently up to the present he has no consideration at all for this Scotch woman and her little baby. What earthly harm could happen to this country even supposing that child were feeble minded? There would be no harm done at all for at least eight or ten years.

Mr. KING (Kootenay): The child is prohibited under the law.

Mr. EDWARDS (Frontenac): Does the minister state that?

Mr. KING (Kootenay): Yes.

Mr. EDWARDS (Frontenac): What about the 140 others who received special permits? They were also prohibited under the law. What about the feeble minded boy, of whom the government examiners said he did not know enough to even move out of the way of possible harm? He was prohibited under the law; the officers reported he could not be expected to make enough money to provide for himself in Canada. He was prohibited under the law, but the permit of the minister allowed him to remain in Canada. What about the young man who came here and became a thief as a means of livelihood? He was prohibited under the law, but the permit of the minister allowed him to remain. Is the minister going to show less consideration for this Scotch woman and her little baby than he has shown for the man who spent six months behind the bars of one of our prisons? I say, Mr. Speaker, that it is high time the Minister of Immigration asserted himself as a man of his race should. Belonging as he does to a race which has written its name all over the world with high honours, I appeal to him to throw off the shackles which prevent him from asserting himself over the heads of his department, who are ruining it and making it a joke throughout the country.

Mr. FORKE: I will not admit a feeble minded girl.

Mr. EDWARDS (Frontenac): The minister will not admit a feeble minded girl but he will admit a feeble minded boy; he has done so. He will allow a thief to remain in the country; he will admit those who have occupied asylums on the other side of the ocean, as the permits show, but he will not admit a feeble minded child only fourteen months old because he is afraid this country will suffer damage. He will deprive the other children of that family of the love and care of their mother for a few years, rather than grant a permit to allow this little girl to remain in Canada. If that is the minister's final answer in the matter I am sorry for him. I am also sorry for this country that we have in the office of Minister of Immigration and Colonization a man who has been acting apparently merely as the tool or the subservient slave of those who are running his department.

Mr. FORKE: You must change the act.

Mr. EDWARDS (Frontenac): The act does not debar the minister from putting his name to permits and allowing people to come in and stay in this country who were turned down by his officials.

Mr. FORKE: The act forbids me to admit that girl.

Mr. EDWARDS (Frontenac): If the act forbids the minister to admit the girl then the act forbids the minister to admit the one who served time in an asylum on the other side. But that is not the point.

Mr. FORKE: The act forbids me to admit them.

Mr. CAHAN: But it gives the power to issue a special permit.

Mr. FORKE: No, it does not, and the lawyers know it.

Mr. EDWARDS (Frontenac): I do not think the minister was influenced much by lawyers. I remember the time when he had not much use for them, but times have changed.

Mr. ELLIOTT: He knows them better now.

Mr. EDWARDS (Frontenac): I should like to ask the minister, since he has interjected a reference or two, one straight question: Is there or is there not anything in the act which would prevent him from issuing a permit for that mother and child to stay here for six months?

Mr. FORKE: Yes there is. I have no authority to let that girl in under the act. Any lawyer would know that if he turned to the act.

Mr. EDWARDS (Frontenac): Then all I have to say is that the minister has not made a very careful investigation, because he has admitted others in violation of the act—

Mr. FORKE: No, never of the same character.

Mr. EDWARDS (Frontenac): —certified by his own officers to be unfit to come into this country, both physically and mentally.

The returns are there to prove what I say.

Mr. FORKE: I do not like to be criticized before the country as being cruel or inhuman when the law is there.

Mr. EDWARDS (Frontenac): The minister will get lots of criticism before the session is over, he may be sure of that.

Mr. FORKE: That does not help the girl. I think I have probably suffered more over that girl than any member of this house.

Mr. EDWARDS (Frontenac): I am glad there is one minister over there—of course he has not been there long—whose epidermis is not so callous that it cannot be penetrated. It is pretty hard to get through the skins of some of them, but there is a sensitive spot in my hon. friend although it takes quite a while to reach it.

Now I wish to direct attention for a minute or two to the situation of our dairy farmers in Canada, and what this government has done to make their situation worse. In 1926 our exports of dairy products—cream, milk, butter, cheese, condensed milk, milk powder, casein and eggs were as follows compared with 1927:

	1926	1927	Reduction	Increase
Cream	$ 7,711,312	$ 7,222,971	$ 488,341	
Milk	957,263	741,668	215,595	
Butter	3,358,960	1,094,694	2,264,266	
Cheese	25,244,029	22,640,668	2,603,361	
Milk (condensed)	2,892,821	2,463,904	428,917	
Milk (powder)	846,846	721,644	125,202	
Milk (evaporated)	.....	1,090,788	.....	1,090,788
Casein	15,218	46,773	.....	31,555
Eggs	766,178	313,354	453,224	
Totals	$41,892,622	$36,336,464	$5,556,158	

(Decrease in one year)

In 1926 our export of these commodities amounted to $41,892,622. In 1927 it had fallen to $36,336,464, a decrease in one year of $5,556,158 in dairy products alone. In 1925 Canada's exports of butter were 24,553,000 pounds, and our imports were 193,000 pounds. Our farmers were supplying Canadian tables and exporting over 24,000,000 pounds a year. The Australian and New Zealand trade agreements changed all that by permitting butter to come into Canada for one cent a pound. Our exports for the year ending March 31, 1927, dropped by 13,425,500 pounds, and our imports rose to 7,190,267 pounds. For the year ending November, 1927, Australia and New Zealand sent us 10,122,866 pounds of butter, and we sent them $3,503,833 in payment, every dollar of which should have gone into the pockets of Canadian farmers instead of into the pockets of Australian and New Zealand farmers. We are up against the Paterson plan in Australia where three cents on every pound of butter manufactured there goes into a pool, and where a bonus of six cents a pound is paid on every pound of butter exported. Now it costs less than three cents a pound to bring butter from Australia and New Zealand to Vancouver, and butter from those countries shipped from Vancouver to Montreal can be carried at the rate of $2.30 per hundredweight. On the other hand British Columbia butter has to pay a rate of $3.58½ cents per hundredweight. The rate from Regina or Saskatoon to Vancouver is 2½ cents a pound, so that the price of butter in Saskatoon and Regina is fixed at 2½ cents lower than the price of New Zealand butter when it lands in Vancouver.

I wish to give here some figures brought forward by the hon. member for Victoria (Mr. Tolmie) illustrating the effect of this on Canadian production: Taking the production of an average cow as 200 pounds of butter a year, our importations from Australia and New Zealand last year would keep 50,000 cows in Canada busy throughout the year, and allowing 10 cows for each farm, would establish 5,000 farms in this Dominion. There is a spread, as everybody knows, between the winter and summer prices for milk. There is evidence of that right here in the city where the difference is 40 cents per 100 pounds. In Montreal the spread is 90 cents per 100 pounds. The dairymen in Australia and New Zealand have a decided advantage over us because their climate allows their cattle to graze out the year round, consequently they can produce more cheaply than we can in Canada. Yet we are giving them the advantage of our market in this country at a cent a pound. At a season of the year when the costs of production in Canada are at the highest we allow Australian and New Zealand butter to enter Canada and damage the dairy industry in this country. In the countries named their summer is in operation at this time; it is their flush season. Protests have been entered from all the dairy councils throughout Canada against this unfair competition but nothing has been done to rectify the evil. In addition to the injustice already complained of the government allows Australian meat to come in at half a cent a pound, and it is a well known fact that the Australian government pays a bonus of over $2 on every carcass of beef shipped out of that country. That is sufficient to pay the freight when that commodity is shipped to our own shores. Is it a fair deal to the farmers in this country to be put up against competition of that kind? I submit that it is not.

We imported eggs to the value of $1,826,782 last year, mostly from the United States, Britain and China, but we do not export many eggs to the United States because that country collects a duty of 8 cents a dozen upon our eggs while we allow their eggs to enter this country at 3 cents a dozen. In the same way we cannot avail ourselves of the butter market in New York. When butter was selling in Montreal at 37 and 38 cents a pound it was priced in New York at 50 cents a pound. Why did we not send our butter to New York? For the reason that the United States protects their farmers and dairymen by imposing a duty of 12 cents a pound on our butter thus making it impossible for it to enter.

Mr. BENNETT: And our price is that much less.

Mr. EDWARDS (Frontenac): Yes, our price is that much less. I am not going to discuss the various trade agreements entered into by this government. Suffice it to say that Canada has lost out in every agreement which this government has made with other countries. We lost out in the case of Australia. We not only lost through a reduction in our exports to that country while their exports to us increased, but we have had to pay from $1,500,000 to $2,000,000 extra in duties on imported raisins. That was part of the deal. We lost again in the case of New Zealand, our favourable balance with that country decreasing by more than $5,000,000 in one year. The same story is true in regard to our treaty with France, an unfavourable trade balance of $8,500,000 increasing to $13,500,000. As regards the West India agreement, a balance in our favour of $500,000 was changed in one year, by the magic touch of this government.

by way of a trade arrangement, into an unfavourable trade balance to the tune of $2,000,000, and yet we are subsidizing steamers to carry their products to Canada.

Mr. WILFRID GIROUARD (Drummond-Arthabaska) (Translation): Mr. Speaker, the hon. member for Frontenac-Addington (Mr. Edwards) who has just spoken is well known in the riding which I have the honour to represent. We notice that he still continues to occupy a seat on the front benches of the opposition and takes a leading part in the proceedings of his party. He has broached a great number of subjects and I do not intend to follow him in all his rambles. I simply wish to make a note of the admission which he made at the outset of his speech; that in the latter part of June, 1926, when Mr. Meighen grabbed power in violation of constitutional practice, he did not have the confidence of the people of this country, and therefore had no right to take over the reins of government. That was then our contention, and the people at the last general elections were of the same opinion. This is the reason why the hon. member for Frontenac-Addington occupies again a seat on the wrong side of the house.

Allow me, Mr. Speaker, to now congratulate the hon. Minister of Finance (Mr. Robb) on his statement as to our financial situation. Ever since he has been at the head of this important department, the country has had but praise for his administration which has given the government an opportunity, thanks to the substantial reduction in taxation, to introduce measures favourable to the country's development and progress. I listened quite attentively to the various speeches delivered by members of the opposition, and I may state that the whole debate has shown how very acceptable this budget was to the whole country. Two amendments were moved, on which we shall be called upon to vote. One, which is really but a request to increase the tariff, is put forward by the official opposition—it bears with it a pleasant smile for the large interests—the other, without any consideration whatsoever for the needs of our industries, takes the government to task for not having reduced the tariff sufficiently. It seems to me that the task of preparing and putting into practice a fiscal policy consistent with the needs of a country like ours presents the greatest difficulties. Faced with these two clashing amendments, Sir, one can readily see all the wisdom and foresight of the leaders of the Liberal party who intend to give the country a policy which will be most fair towards the claims of the various provinces, but which will also take into consideration the needs of the great mass of consumers of this country and the necessity of protecting our industries. Therefore, the present budget, like all those which the hon. Minister of Finance (Mr. Robb) has brought down in this house, is one that we can call truly Liberal.

The opposition, through their leader, have proclaimed that this year at least it would forsake the old beaten tracks where it was in danger of being engulfed and would bring into the discussion of the country's affairs a constructive criticism. We were therefore prepared to listen to some announcement which would have given us hope that it would break with the past. We looked, listened, waited, but nothing happened; in vain did we wait. It is—Mr. Speaker, you have heard them before—always the same complaints repeated with the same lack of sincerity. The opposition seems always depressed, it traces before our eyes such gloomy pictures that, at times, I wonder if it would not rejoice itself, for purely political purposes, in seeing a less flourishing state of things in this country. The opposition is well aware—one must give it credit—that years and years will elapse before it can sit to your right, Sir; but is this a reason to utter but empty complaints and wish to revive this campaign of disparagement, which can only depreciate Canada in the eyes of other countries. Instead of talking at random of mills closing, why does the opposition not rejoice with us and the people of this country, at the prodigious trade boom which took place in 1927?

To-day, our country, so far as the importance and value of its international trade is concerned, occupies one of the first places among the nations of the world, under the present economical rule our industrial development has made great strides. Thus for the period comprised between April 1 and December 31, 1927, our total trade amounted to $1,793,000,000, of which $823,000,000 is for imports, while we have exported goods amounting to $970,000,000, leaving a favourable trade balance of $147,000,000. Why does not the opposition, who so often boast of their broadmindedness, set aside for once their party spirit so as to congratulate the government on the considerable reduction which has been effected in the debt of the country? Why not cease criticizing—which would be depressing if it were taken seriously—seeing that never since the war our finances have shown up so well? Yet, Sir, if there is anyone in this country who should rejoice of this improvement, it is the opposition for they are responsible for the enor-

mous debt contracted from 1914 to 1921. Within the last five years the debt has decreased by more than $144,000,000; revenues now exceed expenditures; a cash sum of $47,000,000 has been paid by the government to meet bonds maturing in 1927, and by this transaction the government economizes $3,000,000 each year on the interest alone. These are the conditions which make possible a reduction of ten per cent on the income tax, and a reduction of twenty-five per cent on sales tax. The government, although in no way hampering the progress of the country, wished to practise economy and took the means to curtail expenditures. To have a clear idea of this, we have but to remember that in 1921 the Conservative government were spending $528,000,000, and that in 1927, these expenditures diminished by more than $163,000,000. That is evidence of the good administration of the present government which more than ever has the confidence of the people.

The Liberal party has fulfilled the pledge given in 1921: drag Canada out of the chaos where the Conservative administrations had plunged it. Our finances are now in excellent shape and the future of our country is more alluring than ever, especially if we take into consideration that we are but at the beginning of a period which, by its prosperity and activity, gives us the most assured guarantees of a constant development and progress.

Another question to which I want to refer is the farm loans. One will readily recall that the present government had introduced, during the course of the 1926 session, a bill in relation to agriculture which had been passed by the two houses. Unfortunately, the Governor General of that day, acting in concert with certain members of the Conservative party, had made the signing of it impossible, thus delaying for a year the enactment of legislation destined to efficaciously help the farming class by the means of long term loans. The Liberal party again brought down this bill during the session of 1927, and I wish to state, sir, that the farmers of the riding I represent greatly rejoiced at hearing that this measure had been adopted. I wish to congratulate the Quebec government who, at their present session, will bring down the necessary legislation to insure its operation. This shows clearly the desire of both the Quebec and Ottawa Liberal governments, to unite their efforts in order to favour the farming class of our province.

Mr. RHEAUME (Translation): Hear, hear!

[Mr. Girouard.]

Mr. GIROUARD (Translation): May I now, Sir, draw the attention of this house to certain events which happened in the course of last year, and especially to the importance attached to the visit of certain high officials who have visited Canada since last session.

I must say that, personally, it is not without certain apprehension that I see ministers or other officials of the departments for Foreign Affairs or Secretary of State for the Dominions, arriving from London. Their right to visit our country is not disputed; they are welcome to admire its beauty and note the marvellous development which is taking place from year to year.

I think, however, that our welcome should be rather a cold one when—to carry out an idea of propaganda which, I am inclined to think, is not the product of a Canadian's brain—we are told what line of conduct our country should follow under certain circumstances. One would really be led to believe from what they say, that we are unable to manage our own affairs, unless we conform to suggestions not in keeping with the needs and destinies of the Canadian people.

The Mail and Empire of Toronto, recently charged the right hon. Prime Minister (Mr. Mackenzie King) and the hon. Minister of Justice (Mr. Lapointe), with trying to draw us away from the British ties, because of their attitude at the last imperial conference, but, sir, one of the reasons which justified the confidence of the large majority of the people in my county, was their wish and desire proudly expressed to see our country represented by men who, by their words, acts and line of conduct in the past, had proved that they were worthy to represent and assert the Canadian viewpoint.

The policy of the Liberal party—and it should be accepted, I think, by all those who are broadminded and are moved by patriotism—is to create for the country we live in, the most complete autonomy, both at home and outside. Those who come to visit us should bear this in mind.

Mr. Ewart, an authority on constitutional law, speaking of Mr. Amery's visit and his propaganda, stated that Mr. Amery—being fully aware of the advantages which his government would reap by being able to control in case of war, the financial and military resources of Canada—had tried and was trying to create a state of things which would make certain this control. Is it necessary to add, sir, that we should oppose such an attempt; that there is cause to ask all these high officials to travel less or at least to travel elsewhere than here, when the purport of such visits is to spread imperialistic propaganda. Mr.

Amery works in the interest of his government, but is there not cause to wonder at the fact that members of the cabinet in London can thus absent themselves for months, when in their own country there are so many important and intricate questions capable of taking up all their time and attention. We also must preoccupy ourselves with the interests which are our own. We equally have questions and problems to solve, bearing in mind our needs, geographical situation, aspirations and future as a Canadian nation.

Mr. T. H. STINSON (Victoria, Ont.): Mr. Speaker, the budget speech of the Finance minister (Mr. Robb) grows in importance to the people of Canada year by year, and is awaited with anticipation and concern by increasing numbers. It is unfortunate that this should be the case as there should be some settled policy upon which the business of this country can be built up, instead of being on the basis of a yearly tenure only.

The problem of the tariff has been one of the most persistent and controversial in Canadian history, affecting as it does the well-being and prosperity directly or indirectly of every citizen. As early as 1876 Sir Wilfrid Laurier declared himself a moderate protectionist, admitting that protection was a matter of necessity for a young nation in order that it may attain the full development of its own resources. The national policy as enunciated by Sir John A. Macdonald in 1878 was to benefit and foster the products of the farm, the mine, the forest, the sea, and to give employment to our labourers, and thus build up all the interests of this great Dominion. The importance of manufacturers in our national well-being is strikingly indicated by our population figures. Since 1891 our urban population has steadily increased until now it is one-half of our total population. Apart from the actual number of factory employees it is obvious that in any city or town the wholesale and retail merchants, the banks, the professions, the real estate agents, and the municipality itself are largely dependent upon the factory as the dynamo of their prosperity. If the factory is ruined by trade reverses, the city and town must suffer the same fate. Consequently any ill-timed and thoughtless tariff change is a matter of vital concern to the city and town dweller. He is as directly interested in the tariff as the manufacturer, and surely nothing should be done to endanger the well-being of nearly half our population.

It should be the purpose of the government to direct and mould the business policy of our country for the development of the natural resources, and thus give employment to our citizens. A nation cannot exist without people, people cannot exist without homes, and homes cannot be maintained without money; and money can only be obtained by the multitude by work and labour. Therefore, if a government fails in its duty to so direct its policy as to foster and provide work and labour at fair remuneration, it fails in its duty to the people.

The test of a good budget should then be: What does it contain to create industry in order that the foundation of the nation may be maintained in the building up of happy and contented homes? Does the present budget contain one tariff change that will develop a job capable of employing an additional Canadian boy in Canada or bringing one exiled Canadian back from the United States?

It is agreed on all sides that our great need is population, and if that is the case, the government must find ways and means of employing the population we have and making new jobs for those we desire to add to our population. Consequently the efforts of the government should be bent to the task of creating work in Canada, and our efforts should be directed towards building up a balanced population. The farmer says: If you bring in more farmers and settle them on the land you are creating more competition for me which will help to lessen the price of my product. The labourer says: If you bring in more labourers, there will be more competition for the available jobs in Canada. Therefore it is necessary to build up a balanced population to a point where Canada will present a fairly harmonious economic unit—where the burden of taxation may be so distributed over more shoulders that it bears lightly upon all: where our vast over-expanded transportation machine may be operated efficiently and economically, and where local consumption of industrial products may be large enough to give industry and consumer the benefit of savings incidental to quantity production. We cannot overlook the fact that the first duty of a young nation is to make itself economically secure.

It is time Canada took stock of herself, of her resources and her institutions, and commenced to formulate national policies in keeping with her peculiar conditions and limitations. There is somewhere a point in population where Canada as a business and productive unit would function under reasonably normal overhead cost, which point can be approximately ascertained. The goal should be to maintain by a vigorous immigration policy, and when the time comes by a "closed door" policy, a fairly balanced population in terms of occupation and to

sustain the proper equilibrium by wise legislation and executive direction, so far as such may legitimately and effectively be done. We should strive to reach our effective minimum population. Where is that point? We have a mile of railway for every 178 inhabitants; the United States has one mile for every 400. This would indicate railway efficiency when we reach a population approximately twice as great as we now have. The same proportion no doubt would apply to the balance of our public facilities and plant. In a general way we are equipped as we stand for a population double of that we now possess.

A study of the economic value to Canada of a new settler is illuminating. Incidentally it is shown that over 163 million dollars have been brought to this country by immigrants. Professor Irving Fisher calculates that the capitalized productive value of the average individual to the state is $3,000. What Canada and many other countries have suffered from during recent years, and what has given rise to general unemployment, is not necessarily over-population but unbalanced production. With untold mineral and forest wealth, and with millions of acres of the world's richest agricultural lands lying idle and undeveloped while the world is clamouring for food, surely there should be no widespread unemployment if corrective methods were employed by our governments. All our great natural resources are of little value to the nation until developed by the genius of man. Could not the unemployed workers of the British Isles be set to work in that development if our government would bend its energies towards making some arrangement with the British Government in some way and under certain conditions to supply the millions of dollars necessary over a period of years for this purpose? Ingenuity, foresight and energy could no doubt work out a solution for the development of our natural resources in Canada with British capital.

In considering the social value of the citizen we cannot overlook his performance as a consumer of the commodities produced within the state. This has an important bearing on employment and general prosperity. Canadian industry produces goods of a gross value of 2,781 million dollars. Of this Canada exports goods amounting to 453 million dollars. The balance divided by population leaves an annual per capita consumption of manufactured articles of $243.30. This clearly demonstrates the enormous value of the home markets to Canadian labour and industry and incidentally the vast significance to be attached to a policy having for its object the augmentation of Canada's consuming population. Every man, woman and child added to our population is a potential consumer to the extent of $243.30 of manufactured goods.

Mass production is the essential element in successful modern industry. Canadian agriculture will suffer by reason of inflated prices leading to a higher production cost until our general consuming population reaches a point where our industries can function more effectively and thus reduce commodity prices resulting in a lower cost of farm operation and living all round. Until we can bring about a spectacular increase in population, the present handicap of high commodity and operating costs cannot be removed. The present policy of this government of striking at industry here and there, a policy which curtails expansion, retards development, and drives money into safe investments of government bonds instead of into industry, will never solve the question, and imports will never make a market here for what the farmer has to sell. The home market now absorbs 837 million dollars' worth of agricultural products as against our export market of 600 millions. The per capita consumption of farm products in Canada amounts to $87.50. The western farmer producing almost entirely for export receives little benefit from the home consumption of farm products, but with our population doubled, the domestic market would loom up as a very important factor in his sales. At present he is at the mercy of overseas countries, which are now striving with every nerve and with more or less success to promote decreasd agricultural imports. At any time he may be virtually closed out by tariff walls, as happened to his animal products in the United States. There is every indication that he may in a short time have to compete in the Liverpool market with Russian wheat. This would be a serious thing to our western farmers; consequently if a larger home market can be created for him it will be greatly to his advantage.

The policy of the government of this country should be to protect our farmers and give them the full benefit of our home market. The farmer in this country to-day is competing with his fellow farmers in other countries under conditions of absolute unfairness. The product of the foreign farmer is brought into this country under a relatively low tariff, or none at all, while he is forbidden access to other countries save over a tariff wall. The farmer must now surely realize that he was sacrificed by the present government in the negotiation of the Australian treaty, and which treaty was afterwards extended to New

Zealand without our getting any corresponding compensation from New Zealand. At the time this treaty was negotiated the general duty on butter coming into Canada was 4 cents per pound, which by the treaty was reduced to 1 cent. The Australian government also fostered a scheme among its farmers to pay them a bonus of 6 cents per pound on all butter exported, to which fund the farmers of Australia contributed. With this bonus fund and the decreased duty our market has been flooded with Australian butter. The bonus fund allows the Australian to carry his butter to Vancouver without cost, as the amount of the bonus pays the transportation charges. Australian and New Zealand butter can be shipped on a through rate from Vancouver to Montreal at $2.30 per 100 pounds. The rate for the British Columbia producer to Montreal is $3.58½ per 100 pounds, so you observe the Australian can ship to Montreal, pay the freight and 1 cent per pound for duty and lay it down for 28½ cents per 100 pounds less than our British Columbia producer. Saskatchewan and Alberta are similarily affected by this unfair competition. The western provinces were building up a large dairy industry prior to this unfair competition. In 1910 Saskatchewan produced 1,548,000 pounds of butter. In 1925 this had increased to 15,946,000 pounds. Saskatchewan producers are now feeling this unfair competition, with the result that their production was some 4,000,000 pounds less in 1927 than it was in 1926. The same story is told of Alberta, and the decrease in butter production between the years 1926 and 1927 is quite as much as in Saskatchewan. If the average Canadian cow produced 200 pounds per year, the production of some 10,000,000 pounds now imported from Australia and New Zealand in one year would keep 50,000 cows busy the year round in Canada, and would give jobs to a large number of people in caring for the cows and the handling of the product. Why should this government put millions of dollars in the pockets of the farmers of Australia and New Zealand to the detriment of our own farmers? The United States maintains a duty against us of 12 cents per pound on butter, with the result that we only shipped 17,774 pounds of butter to them in 1926. They are out to protect their own farmers and keep the home market for their own people. If we kept our home market in butter for our own farmers there could be occupied an additional four or five thousand farms in the Dominion of Canada.

Now again, if it is the duty of a government to formulate a policy to create work and labour in its own country, then I should like to call the attention of the government to another industry that can be saved to Canada and a payroll built up here instead of being built up in the United States. The duty on our wheat entering the United States is 42 cents per bushel, while we maintain a duty of 12 cents per bushel against the United States. There is a large export business for flour ground from Canadian hard wheat, and the United States government, interested in helping industry and keeping payrolls in the United States, allows Canadian wheat to be brought in and milled in bond in the United States and shipped out to compete with the Canadian flour in the world market to our disadvantage. By section 311 of the Tariff Act of the United States, and under treasury regulations relating to bonded warehouses, wheat may be imported into the United States without the payment of revenue or duty on the condition that the flour product is exported. Under general customs regulations a refund or drawback of 99 per cent of the duty paid may be obtained when the product of imported wheat is exported, but to secure the drawback under these conditions the flour exported must contain a mixture of at least 30 per cent of the product of domestic wheat. The quantity of Canadian wheat milled under drawback regulations is not large, so the chief problem arises in connection with the milling in bond provisions, which offer a much more favourable opportunity to the United States millers.

Milling in bond has been increasing by leaps and bounds. The quantity milled from July 1921 to June 1922 was 6,172,837 bushels; for the same months in 1922 and 1923, 9,280,787 bushels; for the same months in 1923 and 1924, 13,904,837 bushels; and from July 1, 1927, to January 28, 1928, 10,000,000 bushels, which makes the quantity now over 15,000,000 bushels per year. The flour product of this quantity of wheat would be in excess of 3,200,000 barrels of flour, while the offal by-product would be 118,000 tons. During that period 3,200,000 barrels of flour made from straight Canadian wheat were sold abroad under United States trade names in direct competition with the product of Canadian mills. In the same twelve months Canada exported to countries other than the United States 12,000,000 barrels of flour.

Out of a total demand abroad for 15,000,000 barrels of flour of Canadian quality, United States millers supplied no less than 20 per cent with free Canadian wheat for this export trade. United States mills have certain advantages in rates and positions which enable them to sell in competition

with Canadian mills. The United States miller has an advantage over the Canadian miller by reason of the fact that a mill at Buffalo pays lower transportation costs on Canadian wheat than does any eastern Canadian mill. The offal from the grinding of the Canadian wheat in the United States has a splendid home market where there is a deficiency of the product. From the mill to the seaboard the United States miller at Lake Erie points has an advantage under existing freight tariffs, due to his position, of 2½ cents per 100 pounds in freight rates. This difference in export cost of 5 cents per barrel alone makes it possible for him to take away business from Canadian mills. What does it mean to Canada?

Manufacturers' costs of converting wheat into flour, including labour, selling expense and overhead, but not including the cost of bags, may be safely estimated at 65 cents per barrel. At this rate the cost on 3,000,000 barrels would be $1,950,000. This amount is paid out in the United States in the year instead of being distributed to labour and capital in Canada. If Canada had milled the additional quantity, our railway companies would have moved 15,000,000 bushels of wheat to Canadian mills and would have moved 3,000,000 barrels of flour and 118,000 tons of offal from Canadian mills, whereas this wheat actually moved direct by water from Fort William and Port Arthur to the United States ports, chiefly in United States lake vessels, and no part of the product afterwards used Canadian routes. The loss to Canadian railway companies on the movement of the wheat to the mills and the flour to the seaboard is in excess of $1,500,000; on the 118,000 tons of offal, if distributed in Canada, it would be $679,000, or if exported, $550,000.

Since 1921 one of the largest milling industries in the world has been built up at Buffalo. The wheat that was formerly brought from Fort William and the Georgian bay route and by rail from Midland through Lindsay and Belleville to the seaboard, is now being carried by American boats to American ports and our railways are losing that advantage. Lindsay, which is a Canadian National divisional point, is suffering in railway employment by reason of the fact that our grain is going to Buffalo and is also being routed other than through Canadian ports. Surely our Canadian National Railway needs all the business the government can put in its way. Wages paid by the Canadian National at Lindsay in 1927 were some $200,000 less than the wages paid in 1921. An additional output of 3,000,000 barrels of flour for our Canadian mills would mean an increase of approximately 15 per cent on the total output of all merchant mills in Canada, which would have a very marked effect on costs and prices from which Canadian consumers would have benefited because of the keen competition among Canadian mills for the domestic trade. This would also have enabled the millers further to extend their markets abroad for Canadian flour by meeting competitive prices. Canada loses the advantage of the sale of this flour under Canadian trade names. It is exported as a United States domestic flour and helps that country to retain its reputation in the world market for the best grade of flour, and the effect on Canada is unfavourable. In selling, the United States miller may represent the flour as a product of Canadian wheat or he may not. If he does not, the impression is created that perfect substitutes for Canadian wheat and flour can be found in another country and that these Canadian products have not therefore the special values that may be justly claimed for them.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. STINSON: Mr. Speaker, when the house rose at six o'clock I was discussing at some length the importation of our wheat into the United States duty free for the purpose of milling in bond. The question of the by-product is very important. The bran and shorts produced in the United States from this Canadian wheat amounts to some 118,000 tons, and Canadian dairy and live stock interests lose the opportunity to use this large supply of the best of all feeding stuffs. The effect of a larger output would be reflected back in the cost to the farmer. To encourage the development of Canadian dairy interests there should be available a superabundant supply of bran and shorts at as cheap a price as possible. To-day the farmer is paying $35 per ton for bran. All these direct and indirect losses to Canada when measured in dollars represent a sum total so large that the matter must be recognized as being of national concern.

The magnitude and importance of the Canadian milling industry is clearly shown by the returns published in the Canada Year Book. The capital employed in 434 flour mills is upwards of $65,000,000; salaries and wages paid exceed $7,000,000. The purchasing power of the industry as represented by the amount paid out for materials and supplies is upwards

of $125,000,000, and the value of the product is upwards of $150,000,000—a net difference between the two of $25,000,000, which represents the values created in Canada. This industry ranks second to the pulp and paper industry in value of products.

An export duty on wheat could not in any way have a prejudicial effect on the price of Canadian wheat, nor would it in any way affect the Canadian farmer other than to his advantage. The prosperity of the Canadian farmer is fundamental to the development and success of the milling industry, and in advocating this duty I do so in the belief that it would not depress prices or restrict opportunities for sale by the primary producer. On the other hand I think it would strengthen the position of Canadian products with advantage to every Canadian industry. If this flour were consumed in the United States, which it is not, it would mean that a market for Canadian wheat which otherwise has been limited and uncertain would be enlarged by the use of wheat in that way. But under existing conditions no increase in the demand for Canadian wheat is brought about. If there is no increase in consumptive demand, there can be no effect on the basis of prices. The United States miller cannot be as substantial a support to the market as the Canadian miller, since the former can drop out of the business the moment he finds it equally profitable to grind United States wheat, while the Canadian miller must always be a bidder for Canadian wheat. It is by special laws and regulations of the government of the United States that the American miller has been put in a position to do this business. It is the policy of that government to give all the employment possible to United States labour and capital in its milling industry, even when the main product is not required and is even denied access to the domestic markets.

The principle of export duties has already received recognition in Canada. An export duty on electric power is not different in kind from an export duty on wheat for milling in bond in another country, nor are the reasons for the former any stronger than those for the latter, as imports of Canadian wheat into the United States for actual consumption in that country are absolutely negligible under the present tariff and merely permit the export of a little more United States wheat or flour in competition with Canadian products abroad. The general application of an export duty would not in such case be open to objection on the ground that it might restrict the market for Canadian products.

Let me read a paragraph from a letter written by a Canadian now living in New York and looking after the export business of one of our Canadian companies:

> You will recall that I wrote some time ago about the situation in Cuba and that the United States mills were getting all the business there on account of the preferential tariff of 35 cents per barrel which the Cuban customs authorities granted on all shipments from American mills, whether the flour was made from Canadian or American wheat. In order to compete we were obliged to buy our flour for Cuba from Buffalo mills and in the past six months have bought about 60,000 barrels.

That milling company is not using to-day more than fifty per cent of its capacity by reason of this unfair competition. No Canadian flour enters the United States for consumption, as their duty against our flour is $1.04 per 100 pounds, while the duty Canada imposes is 50 cents per barrel. Their duty shuts out our flour, while we imported from the United States in 1927 some 45,860 barrels of flour. Why discriminate against our farmers to this extent?

It is surely time that the people of Canada should think in terms of a Canada first policy for the development of our iron and other mineral deposits, our coal deposits, our forests and our water-powers, which development will bring at the same time settlers to our fertile acres which have earned for Canada the title of "the bread basket of the world". Why should we not bend our energies towards finding ways and means of developing the Alberta coal fields and creating a market for that coal in Ontario, thus keeping many millions of dollars at work at home instead of supplying them to the United States workers?

Ontario is importing annually approximately three million tons of anthracite coal from the American coal fields, whereas the province of Alberta has 14½ per cent of the world supply; 21 per cent of all the coal on the North American continent; 72 per cent of all the coal in the British Empire and 89 per cent of all the coal in Canada. In fact her resources are sufficient to supply Canada's needs for the next eighteen centuries.

There would be three great advantages in procuring Alberta coal for Ontario. First, a constant supply of coal for Ontario would be assured. Then empty grain and box cars, idle on sidings during a period of from three to six months during the year when the grain was not moving, could be utilized, thus benefiting the national railway. Finally, the transportation of coal by rail would be productive of more westbound freight and hence greater revenue for the national railway, as well as more employment, which is one of our ever present problems.

The province of Ontario has been spending one hundred millions annually in the United States for coal—thirty millions for anthracite, and seventy millions for bituminous coal. Bankers inform us that money has a turnover from three to ten times in every year, consequently we are making available for circulation in American channels three hundred million dollars annually from the coal which we are purchasing there. We must bear in mind that a large part of the railway cost is labour, that 75 per cent of the cost of mining coal is labour and that the money, spent in the United States last year, namely 30 millions of dollars for anthracite, if spent for Canadian coal transported over Canadian roads would have provided twenty thousand jobs for men at $1,500 per year in this country, and in addition would have provided a purchasing power in our western provinces with which they could have bought manufactured goods from Ontario and Quebec. On the same basis if you calculate the number of jobs which would be provided if we purchased seventy millions dollars worth of coal in Nova Scotia, now purchased in the United States, another forty-six thousand jobs would be provided for workmen in Canada.

Surely a duty rests upon the government to find ways and means of providing a freight rate so that this coal can be brought in to the province of Ontario, when you consider the great benefits to be obtained from the same. If the hundred million dollars which is now being spent year by year by the people of Ontario for coal which they are purchasing in the United States was spent in Canada, sixty-six thousand more jobs could be provided in the Dominion and taking five people to the family an additional 330,000 people could be kept here. The purchasing power of Nova Scotia and Alberta for manufactured goods made in Ontario and Quebec would then be tremendously increased, and the national railway benefited by the increased westbound freight which must necessarily be created, and which would be carried at a profitable rate. We have no coal problem in Canada; our problem is a problem of transportation, and transportation only. It is a problem which this government should find a solution for, and I sincerely trust it will tackle and solve it in the near future.

Striking at industry will never develop a nation. This country must have a protective tariff so long as the other nations maintain one, and the sooner the government comes out boldly in the matter and preaches what it partially practises the better for all concerned. This year's budget estimates that more revenue will be raised from the tariff duties than before, and yet you hear sounded from the government side of the house occasionally such expressions as the "death knell of protection," which unsettles, hampers, and curtails industrial development.

We are also told that the government has reduced taxation. What is the fact? The money to be raised by the budget comes from the people; the amount to be raised is $7,500,000 more than the amount raised in 1927. We have the same number of people from which to extract this money, consequently the people who paid in taxes last year the money necessary to run the country are called upon to pay this year $7,500,000 more than a year ago. There cannot be any reduction unless you have more people to pay the taxes or the government reduces the amount to be spent.

I should like to see the government give consideration to the poorly paid country postmasters and rural mail carriers. These parties give efficient and honest public service and are insufficiently remunerated for the services performed. I should like to see the government grant a further sum for the relief of Home Bank sufferers who come within the classification as laid down in the statute and who have not been paid by reason of the fund being exhausted before their claims were reached. All those in the same class should be treated alike. Further I should like to see the road grants re-established to the provinces in order that the ever increasing tourist industry may be further developed.

As citizens of Canada let us strive for a balanced population in terms of occupation. Let us give consideration to the things necessary for the development of agriculture, our mines, our forests, our fisheries and our factories, and thus lay the foundation for a great nation such as our natural resources are capable of supporting. Let us build that development on a basis fair and equitable to all in order that we may have a happy and contented people where everyone may have free scope for individual enterprise and individual development. To-day the opportunity Canada offers to men of mettle, of imagination, and of enterprise is greater than ever before.

I heartily endorse and support the amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan).

Mr. D. F. KELLNER (Athabaska): Mr. Speaker, I believe it used to be a custom for an hon. member when he rose to speak to deal with the points made by the preceding speaker. The hon. gentleman who has just resumed his seat (Mr. Stinson) dis-

cussed the affairs of Canada in such a manner that I should hardly like to cover the same ground without a little more preparation than I have been able to give to the subject. I desire, however, to concur in the views which he expressed in so far as they apply to a national coal policy, to federal assistance for highways, and to increased payments to country postmasters. To all these matters I think it is the duty of the government to give serious attention.

In addition to the privilege to which I have already referred, I assume we are also free to make comments on the utterances of speakers at an earlier period in the debate. I observed this afternoon that the Minister of Trade and Commerce (Mr. Malcolm), discussing the economic conditions throughout Canada, stated that we had re-established our credit and our commerce as no other country in the world has done. I cannot for the life of me see how he arrives at that conclusion because the credit of Canada was never seriously impaired so far as I know. On the other hand there are countries apparently doing well to-day which practically had no credit or no commerce when the war was over. So it certainly is not by means of comparison that the minister arrives at that conclusion.

One hon. gentleman, discussing during this debate the emigration of Canadians to the United States, attributed the movement to the blue ruin speeches of Conservatives. It is my opinion that if all the oratorical powers possessed by the government and their Liberal-Progressive friends were united to those of the Conservative party they would not drive one person in a million out of Canada. Some other reason than party speeches must be found for the exodus of Canadians to the country to the south. This exodus, permit me to say, is a matter of vital concern. I think we are making a big mistake if we do not take drastic measures in an attempt to retain our sons and daughters within our own borders.

An hon. gentleman referred to the Minister of Finance (Mr. Robb) as a man of courage and integrity. I wish to express my approval of that statement, especially in so far as it applies to the quality of courage. I think the minister had a good deal of courage when he pursued the policy he did notwithstanding the applications of the Consumer's League, and of the Saskatchewan section of the United Farmers of Canada for reductions in the tariff. I think it is pretty generally known that both those organizations made very forceful appeals to the minister for a reduction of the tariff, but in bringing down the budget he did not see fit to grant them any particular relief. It must be admitted that there is a tendency towards reduction in the tariff. If you look through the tariff items you will see there is a reduction of duty on artificial hair, either curled or uncurled. Another item provides for a reduction in stay laces, and still another for a reduction in boots and shoes. I presume that is dealing with the subject from the top down.

Still another hon. member, discussing the unfavourable condition that confronts agriculturists in this country to-day, suggested that it was caused by lack of labour, lack of credit and the purchase of luxuries. As to his suggestion that it is due to lack of labour or lack of credit—and one is more or less bound up with the other—I agree with him; but as regards the purchase of luxuries, anybody who knows anything about farming conditions, particularly in the frontier districts, will have to admit that more luxury can be seen in one city block than in a whole township out in the country. Something may be said in regard to the farmer not buying luxuries or getting along without them, but certainly there can be no logical criticism that hardships are due to purchasing luxuries.

Since this budget has been brought down we have heard a great deal of discussion as to whether or not there has been any reduction in the national debt. I think it is pretty generally conceded that if you consider the railway obligations, there has not been any reduction, and if you ignore them, there has. In view, however, of the fact that it has been repeatedly stated that we are reducing our national debt more rapidly than any other country, it occurs to me that the only way in which we can come to a logical decision on that point is by making comparisons. If we compare our achievements with those of other nations we should be able to decide whether or not we are making due progress, and for that purpose the countries we are accustomed to use are the United States and Great Britain. I find that in Canada since 1920 we have reduced our public debt by $98,965,000; England has reduced hers by £222,945,000, and the United States have reduced theirs by $5,787,000,000. In other words, Canada has made a reduction of something less than $100,000,000, the United Kingdom a reduction of practically $1,000,000,000, and the United States a reduction of $5,787,000,000, so that our ratio of reduction is very much less than that of either the United States or England. Of course there are extenuating conditions in both countries, but, in my opinion at least,

the United Kingdom had a very much more difficult position to face than either of the other countries under review. For instance, she had to make a readjustment in trade. Her foreign commerce was largely gone when the war was over and she had to cope with an unemployment situation with which neither of the other countries had anything to compare. It has been necessary for her to spend millions of dollars in doles to her unemployed, and along with that she was disappointed in her foreign loans. A large number of countries which owed to the United Kingdom money, which unquestionably it was thought would be repaid in order to meet her carrying cost, did not make payment, and it was a marvellous occurrence that the United Kingdom was able to reduce her indebtedness to the extent she did. The United States also had their problems, not so outstanding of course as those of the mother country, but they too were disappointed in their foreign loans. They had not the handicap of unemployment to the same degree as other countries, but they had to make a readjustment in their whole trade structure. On the other hand Canada has suffered somewhat, but not to the extent that either of the other countries has. She has been a large shipper of farm commodities and of the necessities of life, and regardless of the financial situation in which the other countries find themselves, they invariably have to purchase those commodities. Our problems have been much less than those of the other countries that I have mentioned, and certainly our achievments have been far less than theirs.

Suggestions are frequently made by the Minister of Finance, and others, who are not wholly in accord with him as to ways and means of paying off the national debt. The minister seems to take the view that the outstanding accomplishment which he can offer to the people of Canada to-day is that of refunding our loans, and by that process he hopes greatly to reduce the amount of interest that we shall have to pay. The present leader of the Conservative party (Mr. Bennett) last year advanced a suggestion which I am a little sorry has not been tried out, because I believe, if it were taken up with a reasonable amount of energy, results would follow.

While I am on that point I should like to suggest that there may be other ways which have been overlooked of making payments on our national debt. At this moment the amount of Dominion notes in circulation is very small—$172,000,000—and against that we have a gold reserve of $100,885,000, which covers not only Dominion notes but savings in savings banks. I do not know what percentage of it should be attributed to our note circulation, but I know there is something less than fifty cents on the dollar—to be accurate, between 42 and 43 cents on the dollar—in gold held in the treasury against our note circulation. At the present time we have in Canada gold-producing mines that are mining and shipping abroad quite a considerable quantity of gold. I wonder what would be the matter with the government making a purchase of say $25,000,000 worth of that gold and paying for it with Dominion notes, and then issuing another $25,000,000 against that gold reserve. In that way you are not changing by one iota the amount of gold behind your note issues; consequently the argument we usually hear that you are going to inflate the currency will not hold because you are not inflating it; you will have precisely the same amount of gold behind your issue that you have to-day. Furthermore, with that $50,000,000 of note circulation we would have a smaller note issue than we had in 1924 or 1923 or practically any year preceding that from the time the war started. You would have a smaller note issue; you would have the same amount of gold behind your issue, and therefore you could not be accused of inflating your issue. On the other hand you would have at your disposal $50,000,000 which would not bear any interest whatever, and as power is given to the government to do that if they see fit, there is no reason in the world why they should not do it.

No debate on a budget in this house would be complete without a discussion of the tariff. Formerly it used to dwindle down to debate on the merits or demerits of a tariff, but this year I notice that members are getting a little away from that. The other evening a Liberal-Progressive member said that this was the beginning of a reduction anyway, and I wondered why he did not stay with the Prime Minister's suggestions of last year or the year before that it was a step in the right direction. But I cannot help wondering and more or less marvelling at the attitude the government is taking in claiming that its popularity was based largely on the budget of 1926, because it brought down a budget providing for reductions in the tariff. If we are to take the words of the Minister of Trade and Commerce (Mr. Malcolm), he told us this afternoon about one industry in connection with which the tariff had been reduced and the output and the number of employees had been increased. Then he told us about another industry where the opposite had taken place where the tariff had not been touched and yet the industry had gone on

to better production. From that I take it that it does not matter one iota whether the tariff is touched or not, and if a great deal of popularity accrues to the government for reducing the tariff, it seems to me that they should reduce it.

There is one thing in connection with the tariff which I would certainly like to see carried out. We have a low tariff government in power, and I wish they had the courage of their convictions and would make a reasonable reduction in the tariff. If they are not satisfied to do that, I am not too sure that it would not be a good idea to elect a Conservative government and see if they would have the courage of their convictions and increase the tariff.

I have often wondered if it would not be possible to consider this whole matter of the tariff on a different basis entirely from what we have been doing. The discussion usually develops into a great argument whether tariff protection or free trade is most beneficial to the country, although it has been repeated time and again that there are practically no free trade advocates. I do not think we shall ever get anywhere by conducting a debate of that kind other than possibly to determine which are the more able debaters. As has been pointed out on numerous occasions, the history of both parties since confederation shows that both Liberal and Conservative governments have adhered to about the same tariff policy, so I presume we may take it for granted that so long as we follow the course we have been following in the past there will never be any material change in the customs tariff.

But suppose, on the other hand, these customs duties were levied on a basis of controlled price—and what I mean by that is that you make it known to the producer of an article made in Canada that you are prepared to give him protection upon one condition, and that is that the selling price of that article is in line with the selling price in other countries. After the 1926 budget was brought down, the Liberal government were very quick to go out through the country and point to the great reductions they had made in the automobile duties, and they tried to take a great deal of credit to themselves for doing that. But to-day, Mr. Speaker, the price of the Ford car in Canada is twenty-six per cent higher than it is in the United States. The element of protection was not changed one iota by those reductions in the tariff. When we used to point out in former days that the Ford car or any other car sold on both sides of the line was sold at a higher price in Canada than in the United States, it was quite a common reply to say that the Canadian car was a better car than the American, that it contained equipment that you did not get in the American car. That argument will not go now, because when the new Ford car came out this year hundreds of orders were taken on the model sent over here from the United States; in fact, the Canadian factory was not operating at the time they were taking orders for the Canadian Ford car. It seems to me that those who advocate protection are going to have a real job on their hands to convince the people of Canada that they should pay $600 for a car in Canada that costs $400 in the United States. I do not believe the people of this country will ever come to a frame of mind when they will sanction such a disparity, but it seems to me that the results which we hope for from tariff protection could be obtained if we went to the manufacturer—I mention the automobile just for the sake of convenience—and said: Your industry will be protected provided you are prepared to put your product on the Canadian market at a price in line with the price for the same article in the United States market, and unless you get into line with that price we are going to lift this tariff and permit the entry of the foreign product. That policy need not necessarily be limited to one commodity; I do not see why it could not be worked out to cover practically everything. It seems to me that anyone who understands the present tariff regulations and their application could easily work out a scheme that would carry out the suggestion I have made.

The Minister of Finance, speaking on the budget made a very extensive comment on the favourable trade balance, and took considerable credit to the government for that. In my opinion his statement was misleading. I do not think we can issue an accurate statement of our trade development if we pay absolutely no attention whatever to the interest on our public debt; for that is one debt that must certainly be considered in the finances of any country. I do not believe the statement that was put on Hansard by the minister in any way at all presents to the people of Canada the true financial situation as it exists. If we do not take into consideration the interest on our foreign loans we are certainly overlooking an essential factor which imposes a considerable burden of taxation upon the average individual in this country.

There is another matter in that connection. Frequently the discussion would lead one to believe that trade is carried on between nations, and that some outstanding achievement has

been brought about by the activities of the government. There may be some truth in that suggestion, but there is a whole lot in it that is not true. Trade takes place between individuals, not between countries at all, and if individuals are prosperous there will be a large trade; if individuals are not prosperous there will be a small trade. For the government to claim that any prosperity we may have in Canada is due to their efforts is to claim something that they would have a good deal of trouble in substantiating. We have had several foreign visitors of more or less distinction in this country within recent months, among others, Hon. Herbert Hoover of the United States, and Premier Baldwin of Great Britain; and it is a remarkable thing that in the speeches they have made since they returned to their native land both have given credit to the cooperative organizations of the United Farmers for the better conditions in Canada. I think any government or any individual that wants to be fair must give a certain proportion of the credit for that betterment of conditions to the co-operative marketing organizations in western Canada. Mr. Hoover in his speech on returning to his native land said that he believed the farmers of the United States would benefit to the extent of at least twenty-five cents a bushel in the sale of their wheat in the current crop year—not because of anything they had done themselves but because the Canadian farmers had organized a pool for marketing their product. Now if our Canadian wheat pool is worth twenty-five cents a bushel to the American producer I do not think there is any question that it is worth a whole lot more to the Canadian producer, and when the Canadian producer benefits to that extent in the sale of his crop, undoubtedly that improvement is going to be reflected in the trade of the nation. Premier Baldwin stated that the producers in Canada had discovered a way of looking after themselves, and he pointed to the fact that whereas England was paying doles to her unemployed, the people of Canada had the habit of going out and solving their problems for themselves. He commented favourably upon our organization and was not at all stingy in the compliments he paid to it.

Another very unsatisfactory condition in western Canada is the lack of credit for those engaged in agriculture. The present branch bank system does not pretend to cater to the needs of our farmers in the west, particularly those in the frontier districts. I have known a farmer with sufficient assets to entitle him to a substantial loan refused an advance of a few dollars on the ground that "he was outside their loaning area." I do not know just how far he was outside their loaning area, but the fact that a farmer who carries on a considerable business, whose reputation for honesty is good, and who has ample assets to secure a loan, cannot go into a bank in western Canada and borrow a few dollars, is certainly not a desirable state of affairs, and I do not believe we shall ever meet the credit requirements of western Canada until we introduce legislation which will provide for the establishment of small banks with a capitalization running from $10,000 to $15,000. I am well aware that a lot of people will get very much excited about such a suggestion and will point to the number of small banks that have gone broke, especially in the United States. Well, sir, I am not so sure that that is any greater calamity than having a lot of our farmers go broke simply because they cannot get any credit, although their assets are sufficient to justify a loan. Besides, the limited capitalization of the type of bank that I have in mind would necessarily limit the extent of the loss in case of failure.

Nearly every hon. member who has so far taken part in this debate has paid some attention to immigration, and I suppose I would be very remiss if I, too, did not deal with this subject. At the present time our federal and provincial governments, our railway companies, and numerous other organizations are engaged in immigration activities. So far it seems to me that their combined achievements have amounted to about this: Year in and year out a certain number of our people in western Canada are leaving their farms for various reasons, but usually because they are not making sufficient money to justify their holding on. The efforts of our various immigration agencies may have resulted in enough immigrants being brought in to take the place of those who have left Canada, in other words, we may have kept pace with this loss, but certainly I do not think we are ahead of the game. Our immigration program is costing from eight to ten million dollars a year. I wonder if we would not make real progress if we spent a like amount in bettering conditions on the farms of western Canada. I have in mind the assistance that was given to a number of immigrants who settled in my constituency; homes were built for them, land was broken, wells were put down, and they were given equipment to start farming. That is all very well, but I would point out that the native born Canadian who is farming beside those people can get absolutely no consideration whatever from our immigration authorities; or

from our government he could not even find a bank out there to lend him enough money to pay his taxes. It does seem to me that if you are going to ignore absolutely our people in this way—I should not like to stop at the native born, but I think they are entitled to first consideration—there is no hope of bringing in a great number of immigrants and retaining them. And in view of the fact that the United States quota law applies to all but native born Canadians, it is apparent that for the future those of our immigrants who are dissatisfied with their prospects in this country will not be able to go over into the states, and the only ones who will not be stopped at the boundary line will be our native born. So it would not surprise me at all if eventually we reach the point where we will no longer be able to speak of our native born—they will all be in the United States.

There may be those in this house—I hope there are not—who think that the immigrants we are now bringing in are equal to the men and women born in the Dominion. I am not prepared to admit that, and never will be. Within a short distance of this city, down through Ontario, there have been raised what I believe to be the most moral and the most physically fit, and the most intelligent people in all the world. I have in my recollection a family down there that I knew well. There were six sons, and if they laid themselves down they would form a line about forty-one feet in length. They would weigh upwards of two hundred pounds apiece. Six better samples of physically fitness could not be found in this or any other country. Five of those boys are now resident in the United States. That fact alone is, I think, something of which we should be thoroughly ashamed. And they were a very moral people. You could go into home after home any morning and you would find them starting the day with a chapter from the holy book, and at night, too, there would be family prayer before they went to bed. In that whole community I very much doubt if a single person has troubled our criminal courts. Compare their record with what happens in many of our cities, where you will find that most of the offences have been committed by people ninety per cent of whom were admitted to this country within the last three years. Then there is a greater cost in educating the children of these immigrants. In a school in my own district a school teacher had a class of thirty children, sixteen of whom could not speak the English language. Does anyone for a moment suggest that those children can make the same progress educationally as English-speaking children? And is it fair to the teacher to expect her to have to devote a large portion of her time to teaching those pupils the tongue which they must understand before they can take up their school work? I hope when the estimates of the Immigration department are being considered this house will see to it that whatever help is extended to foreign immigrants along the lines I have mentioned shall also be extended to any Canadians who require it.

Mr. R. E. RYERSON (Brantford City): Mr. Speaker, I have no desire to appear as a pessimist, or in any way to minimize the prosperity of this country wherever that prosperity is in evidence; but, sir, claiming to possess some knowledge of business conditions and of the bitter problems of many of those living in the industrial centres of this country, I regret that I am forced to the conclusion that in this matter the boasted prosperity is unevenly divided and a large portion of our population have no share in it. The real prosperity of any country cannot be measured by the wealth of the few or by the statements and reports of banks and other financial institutions, but rather by the happiness and contentment of the large masses of her people.

Sir, many industrial centres in Canada have suffered in the past in different ways as a result of the tariff tinkering policy of this government—a policy which more and more would appear to be a deliberate, studied plan, conceived and carried out with a view to embarrassing and crippling the manufacturing industries of this country. And may I ask, to what purpose this policy of destruction? My answer would be—to meet the demands of a group in this house who maintain this government in power and who upon every occasion advocate the wiping out of every shred of tariff protection save that which protects their own interests. This system of selecting one important industry after another for attack has resulted in a general feeling of doubt and uncertainty throughout the manufacturing trade as to which will be the next to suffer.

We are told repeatedly by hon. members opposite that the tariff reductions in connection with farm implements and automobiles has not injured these industries; that the free entry of and drawbacks on parts and materials which go into the manufacture of these articles have fully offset the reductions in tariff. To what extent this may be true only the heads of these industries can answer. But, Sir, what about the steel and iron industries affected, and the thousands of men employed in these industries and in the plants turning out castings

and parts? Surely there can be no doubt as to the injury in this respect. Many of these plants are now idle or working part time and their employees scattered.

In correctly estimating the effect of tariff reductions on the farm implement industry this important fact should be given full consideration: Prior to 1924, when the last revision took place, this industry was greatly depressed and in a bad way, largely as a result of previous attacks in the way of tariff reductions, in which cases the compensation allowed in the way of drawbacks and free entry of materials was not sufficient to offset the tariff reductions. Many of the small plants were crippled, dividends were cut, or ceased entirely, and it was only by economics in management, resulting in half time employment, reduced staffs and reduced wages, that the larger and stronger plants were able to survive.

Further relating to this matter I have before me a report issued by the Department of Trade and Commerce which therefore should be correct, giving a summary of the trade of Canada for the years 1926-27. I have also added the figures which I received from the same source for 1925, in which will be found a record of the total imports into Canada of farm implements during these three years, as follows:

For the year 1925.. ..	$11,234,839
For the year 1926.. ..	17,630,949
For the year 1927.. ..	26,101,338

In other words, a total for the three years of the enormous sum of $54,967,126. It will also be noted that the increase in the year 1926 over that of 1925 was $6,396,110, and in 1927 over the same year, $14,866,499. These figures should furnish food for thought to every hon. member in this house and to the country generally. The startling increase in imports in this one industry, following so closely upon the almost entire wiping out of tariff protection, leads to but one conclusion if this policy is continued and extended, namely, the ultimate crippling and wiping out of all manufacturing industries. On the other hand, sir, taking this one industry as an example, a policy that will retain to our own manufacturers as far as possible the home market, would undoubtedly result in the great growth and development of this country, which I am sure we all desire, and which would be followed up by a real prosperity in which all classes of our citizens would share. Further, sir, to my mind, it would go a long way towards a solution of the immigration and emigration problems of which we have heard so much during this debate. Who in all this land, Mr. Speaker, would suffer by reason of such a policy? I contend that the retention of our home markets would so increase production and decrease manufacturing costs that prices to the consumer would at least be no higher; in many cases they would be lower. The increased population and decent living wage for the workingmen and women, which would follow would provide additional markets for all farm products and greatly assist and stimulate that industry.

I have no intention, Mr. Speaker, of criticizing the intricate, technical and confusing schedules of the tariff changes contained in the budget. The full effect of many of them upon the industries concerned can be determined only by time and experience. However, I presume they are the results of investigation and study by the tariff board, with the able assistance of the talented gentleman who poses as the representative of that phantom organization, "The Consumers' League," but who, I am credibly informed, in reality represents only a small group of Liberal and Progressive members of this house who sponsor and finance his position.

I had intended to refer at some length to the woollen industry, but, Sir, the entire case for this industry has been so clearly and ably set forth in the speech of my hon. friend from South Waterloo (Mr. Edwards) that little more remains to be said. The branch of the woollen industry confined to the weaving of blankets and woollen fabrics, and the spinning of yarns for the same, has for the past few years suffered largely as a result of insufficient tariff protection under the British preferential tariff. And may I at this point make my attitude quite clear on the question of the British preference? I am in full accord with a policy of preference in trade, not only with Great Britain but with all members of the empire. At the same time I contend that this preference should be mutual, and not to the disadvantage or injury of any Canadian industry. In all cases of tariff preference care should be taken to see to it that the items in the general tariff are high enough to allow for the preference and still maintain a reasonable protection of our own product. Many of these plants were forced out of business or temporarily closed, and fully 40 per cent of the looms were idle during the past year. Practically all plants now operating are working at not more than 50 per cent capacity. The combined woollen industry appealed to the tariff board and were given a hearing. The particular branch I have mentioned placed all the facts in their case before that board, and were confident that some measure of relief would be granted them in the budget. What consideration did

they receive at the hands of the Minister of Finance? There is not one thing of benefit in this budget for them. On the other hand, the free entry of yarns which they now spin themselves may have the effect of bringing about the scrapping of that portion of their plant which is now used in the preparation and spinning of yarns, and in throwing out of employment those engaged in this process.

Now, Mr. Speaker, I should like to refer briefly to the proposed changes in the tariff schedules under item 1060, which provides a drawback of 80 per cent. The item is as follows:

Newsprint paper, machine finished book grades of paper, not coated, coated or super-calendered book grades of paper, when imported under tariff items 197, 197a, or 198a.

When used exclusively in the production in Canada of magazines or periodicals, including farm journals, printed, published and issued at regular intervals, and enjoying second-class postal privileges, containing critical, informative and descriptive articles on various subjects, current topics, political and other news or reviews, criticism or other informative matter, or fiction, being bound, wire stitched or otherwise fastened together.

No doubt this change is proposed in the interests of the publishers of the papers and magazines enumerated, but, sir, may I point out that if we wipe out 80 per cent of the protection on this product, the American paper industry will benefit at the expense of our own paper mills. As having a direct bearing upon the subject I should like to quote a portion of an article published in the columns of the Mail and Empire of January 26, under the signature of a prominent and much esteemed lady resident of Brantford, which deals with this very matter in an intelligent and illuminating manner. I regret that time will not permit me to read the whole article, but the important part is as follows:

To the Editor of The Mail and Empire:

SIR,—

A trade report from Ottawa in to-day's (Monday's) Mail and Empire dealing with Canada's decreased exports and increased imports during December, showing a drop in our favourable trade balance of nine million dollars, in the month, prompts me to offer for publication a letter, written by myself and published in Saturday's edition of our local paper. It is as follows:

"In a recent industrial edition of the Milwaukee Sentinel is an advertisement by a Wisconsin paper company which has branches in several cities in the state and also in Port Arthur, Ont. It is entitled 'The Story of Consolidated Newsprint', beginning thus: 'From the first bites of the axes in the hands of sturdy Canadian woodsmen 'Consolidated' trained men guide the spruce pulpwood on its journey to the paper machines, etc., etc.' This newsprint concern represents but one phase of Winconsin's marvellous industrial prosperity, which is largely contributed to by Canada and Canadians who are content to remain 'hewers of wood and drawers of water' to Uncle Sam. In the Fox river valley, Wisconsin, between Appleton and Green Bay, are 37 of the largest paper mills in the United States, turning out not only newsprint but every grade and kind of paper commodity, and great fortunes have been based on the industry. The story of the poor school teacher who 15 years ago left a $1,200 job to go into papermaking and who now controls a fortune of $18,000,000 is no secret, and he is but one of many millionaires in Wisconsin, Michigan, New York and Maine who in a few years made their fortune by small initial investments in the pulpwood and paper business. Of the twenty million dollars paid last year to the 14,000 workers in the 59 papermaking establishments of the state, which turned out 100 million dollars worth of paper in the year, I venture to say that not one-sixteenth of one per cent of those wages was spent upon imported goods of any sort. United States manufacturers, backed up by the rest of the people and insisting upon being protected by a sane tariff policy, would supply all their needs. Whereas, according to our Dominion Bureau of Statistics, the people of Canada last year spent eleven million dollars on imported paper alone! This astounding fact in face of that other indisputable fact that the forest wealth of Canada from Nova Scotia to Vancouver Island is being depleted, exploited and exported by the huge pulpwood and paper manufacturers of the United States."

In concluding my remarks, Mr. Speaker, I desire to direct the attention of the Minister of Finance and the government to the lack of relief in this budget for an important industry which clearly placed its position before the tariff advisory board and the government, and which is now threatened with disaster. I refer to the binder twine industry, and in this connection I desire to read two resolutions which were passed by the Brantford Board of Trade and the Brantford City Council. Perhaps I may be permitted simply to place these resolutions on Hansard.

Mr. SPEAKER: It will require the unanimous consent of the house.

Mr. RYERSON: Very well; I will read them. The first is a resolution passed by the Brantford Board of Trade, as follows:

Whereas the prosperity of Canada depends, in no small degree, to continuity of employment and a fair wage to its industrial workers;

And whereas in recent years there has been a determined effort by powerful foreign interests to flood the Canadian market with commodities produced in countries where the scale of wages and standard of living are much lower than in Canada;

And whereas believing that justice to Canadian manufacturers and Canadian industrial workers demands a steady domestic market under fair competitive conditions;

And whereas the Brantford Board of Trade believes that certain industries in Brantford are adversely affected by these conditions:—

Now therefore the council of the Brantford Board of Trade urges that the Canadian gov-

ernment and dominion tariff commission investigate fully and impartially all instances where large quantities of goods produced in foreign countries under unfair conditions are dumped on the Canadian market, and that measures be taken to prevent irreparable injury to Canadian industries.

The resolution which was passed by the city council has reference to the Brantford Cordage Company, the largest manufacturers of binder twine in the British Empire and one of the largest industrial concerns in the city of Brantford. It is as follows:

Whereas it has been brought to the attention of this council that the said company is manufacturing at a disadvantage and is subject to unfair foreign competition;

And whereas it is desirous that all assistance possible should be given the said company to obtain relief from this dumping of foreign product on our market.

It is resolved that in the opinion of this council it is desirable that the federal government be requested to take immediate action to give relief to an industry the loss of which would have disastrous effect on the industrial situation of our city, and that copies of this resolution be forwarded to the Hon. Minister of Trade and Commerce and Robert E. Ryerson, our local representative in the federal legislature.

In conclusion I appeal to the Minister of Finance to give consideration to these resolutions and to the interests of the industries concerned before it is too late.

Mr. M. E. MAYBEE (Northumberland, Ont.): Mr. Speaker, I am very sorry to see so many empty benches on the government side this evening.

Mr. LAPOINTE: What about the empty benches on your own side?

Mr. MAYBEE: The remarks which I wish to make deal with a matter of very great importance and I should have been very glad to have all the members of the government hear them. Much discussion has taken place concerning the present budget, but the questions at issue are so important and affect my constituency as well as the country at large to such an extent that I could not let the opportunity pass without making some comments relative to it. It seems to me that there is an apparent reluctance on the part of hon. gentlemen opposite to attempt to defend the pronouncement as set forth in the budget.

I should like every hon. member to behold for a moment a picture which impresses itself on my mind. I can see the industries of this country drawn up in a line, a defenceless line, with the basic industry of agriculture forming the background. I also see the adopted policy of the government with their guns trained on this line of industries. First there is sniping at an industry here and then sniping at an industry there, the shot in every case passing through the industry in the foreground and lodging in the agricultural industry immediately beyond. Sometimes only a right wing or a left wing is lopped off, but the effect is always to injure agriculture. For the business of the agriculturist is to feed the workingman and his family and to supply certain raw materials to various industries. When these industries are prejudicially affected, and men and women are thrown out of employment, less produce is accepted from the farmer. The latest bomb fired by the administration in its budget will dismember the left wing of the woollen industry—the right wing having been shot off by a previous budget of this government—and will complete the demolition of the sheep breeding industry.

From all time two factors have stood out preëminently, so far as production is concerned, in agriculture: First, fertility of the soil, and second, freedom from noxious weeds. In connection with the first point I may say that sheep are unsurpassed by any live stock as a fertilizing agency. In the second instance, the Department of Agriculture is spending money in devising ways to eradicate weeds, including decoctions of chemicals, but the pasturing of 25 sheep on every 200 acres would eradicate more weeds than all the chemicals discovered. And yet for all that, the sheep industry is doomed to destruction under this administration. We have unlimited grazing lands, and even on rough hilly land, where other stock would perish the sheep do well. We Canadians, perhaps more than any other country in the world of like importance, require woollen products for clothing, but this government puts a premium on the importation of silks to clothe our wives and daughters, and delivers a blow to the woollen industry.

I am informed by prominent sheep breeders that any class or breed of sheep can be raised in this country. In confirmation of these remarks, I shall read a letter recently received by a member of this house from Mr. Robert Miller,—ex-president of the Toronto industrial exhibition, a recognized authority on stock breeding and a leading agriculturist of Canada—with full authority to make its contents public. Mr. Miller says in part:

It is my belief that sheep are at once the most necessary and under a fair chance, the most profitable animals on the farm. Many times I have said truthfully that there had not been a year in my experience that sheep had not paid a profit on my farm. That was some years ago when I was importing great numbers and breeding as many as my land would support. For years I have not kept any sheep, because of the uncertainty of the market, because of the neglect of those in position to

do so, to hinder trash of all kinds being sold as all wool. Great quantities of mutton have been coming from New Zealand and Australia so that our market has been most changeable and unreliable. All this has made sheep breeding and feeding the most changeable and unreliable of all farm operations. One year it would be good and the next year the very opposite, so much so that many like myself had to change to something else or lose what we had saved.

James Douglas of Caledonia has been quoted in the press as stating that the Australian treaty is the last straw, and it looks to me that way. Mr. Douglas is one of our most prominent farmers and breeders and he has been most successful as a cattle breeder and was also very successful with sheep. In conversation with him a short time ago, I asked him about the interviews reported and he said it was true, and he believed if a change did not take place he would have to quit keeping sheep.

It seems to me a great pity that an industry in which so many families were engaged in a small way, in many cases their only profit making animals being their small numbers of sheep, a very few cows and some hens, should have their whole hopes blasted as they have been by the Australian and New Zealand treaties.

The very best people that we have in this country are the modest and quiet living people in country places, who by their industry, frugality and economy rear their children, give them their little education, provide their food and their clothing from the lambs that they produce, from the wool, the butter and eggs that they can spare. While this is being done they are building character into the children that will make great men of them, big men that will take the foremost positions in world affairs.

It was humble people like that, that laid the foundation of this country, and if their fondest hopes are to be attained, if this country is to become the great nation that they hoped and prayed for, then the men and women that are to build the superstructure on the foundation they laid must come from that same source.

Men calling themselves statesmen have attacked the very homes of those people and traded the little chance and preference they had in their own Canadian markets away to other countries, so that men in big business might make their business bigger yet. They have sacrificed many thousands of our best and most deserving for the benefit of the mighty few that are well able to take care of themselves.

In spite of the fact that sheep are no longer to be relied on as profitable directly, I believe that I with many others will have to keep more of them in order to destroy the weeds that are fast taking possession of our fields since sheep have been discarded.

In Great Britain sheep have been the mainstay of the farmer and the farms. Without them they could not fertilize their farms, they could not keep them clean and they could not pay their rents. We have just as good land and climate here for the rearing of sheep as they have in Great Britain and we should have as good a market here if the people knew that mutton and lamb is the most wholesome food that human beings can have and if they knew that it is, when bred right, fed right, and prepared right, the greatest luxury too.

Then I wish to read a few passages from a letter written by the vice-president of a woollen industry in my constituency. The gentleman in question says in part:

We were very disappointed in reviewing the tariff schedule to see that nothing has been done in a constructive way to alleviate the present deplorable condition under which the woollen industry is trying to operate.

It had been felt that after placing before the advisory tariff committee the manufacturers' position, some assistance would have been given to the woollen cloth manufacturers, instead of which we have received another very definite set back by the entry into Canada, free, woollen fabric in the gray weighing six ounces. This finally disposes of the flannel business for which the Campbellford mill has been justly famous for a number of years. We have endeavoured in the past few years to make a certain amount of flannel to keep the citizens of Campbellford employed and this was only accomplished at a loss to the company, but with the additional reduction in the tariff it is impossible for us to carry it. This is one more fabric that has been lost to the Canadian industry.

This is the industry which this government is sacrificing, with the result that hundreds of men and women are thrown out of employment and are leaving for the United States if they can find the wherewithal to take them there.

The following figures were compiled and submitted by the Canadian Woollen and Knit Goods Association:

Raw wool imported and retained for manufacture in Canada

Year	Imported pounds	Domestic pounds
1922..	12,412,914	20,204,567
1923..	17,156,902	9,855,972
1924..	18,376,652	9,530,337
1925..	13,544,482	9,484,454
1926..	13,292,727	9,038,233

This shows a steady decline in the manufacture of woollen goods. In 1923, it was found in 124 mills that an average of 40 per cent of the machinery was idle and undoubtedly more is idle at the present time, but this government will relieve this situation by admitting machinery free. In 1926, $43,000,000 worth of woollen and knitted goods were imported. If this had been manufactured in Canada in addition to what was manufactured here, all our Canadian mills would have been working day and night. Let us compare the policy of this government with that of the Minister of Agriculture of Ontario, as set out in the following:

Hon. John S. Martin, Minister of Agriculture for Ontario, informed the members of the Ontario Sheep Breeders' Association, at their recent annual meeting in Toronto, that the government, in order to encourage sheep raising, is prepared to supply groups of farmers with ewes, pure-bred rams and expert advice on their handling. Farmers desiring this

assistance must organize themselves into groups. To each member of a club the government will give eight good ewes and the free service of a pure-bred ram for two years. Preference will be given to clubs whose members agree on the same breed of sheep. Payment for the original flock will start the second year, when the government will be allowed to choose three lambs from the increase. This payment of three lambs will continue for four years, when a farmer will receive full title to his flock. The government expects this policy will help to reduce the weed menace.

After a commission had investigated the cost of production in Great Britain as compared with that in Canada, the Hon. Mr. Fielding said on the floor of this house in 1904, as reported in Hansard, volume 3, at page 4365:

They—

Meaning the manufacturers in other countries.

—are not worrying about the good of the people of Canada. They send goods here with the hope and the expectation that they will crush out the native Canadian industries. And with the Canadian industries crushed out what would happen? The end of cheapness would come, and the beginning of dearness would be at hand. Artificial cheapness obtained to-day under such conditions, at the expense of dearness at a very near day in the future, is not a system of which we could approve or which any of us on either side of the house could encourage.

Yet we find this government encouraging it. A so-called tariff advisory board has been instituted by this administration to investigate these matters, but it has proven to be a patronage committee rather than a tariff commission. It has degenerated into an absolute farce along with the civil service commission, but, withal, costing this country hundreds of thousands of dollars.

The dumping of fruit and garden products on our markets continues. If you walk down the streets of any of our towns or cities you will find on display in the windows of stores apples from Washington and Oregon, and vegetables from Mexico and other southern countries. No finer apples or vegetables can be produced than are grown in the constituency which I represent as well as in scores of other places in Canada, and yet we are debarred from the markets of the United States. It is within the jurisdiction of this administration to preserve this market for the benefit of our producers and to stop this dumping, and I would suggest that, if the wealthy wish to eat out of season dainties that are produced in this country, they should be invited to contribute to our national treasury.

The dairy industry appears to have been singled out for a broadside "barrage" from this government, and I should like to call the attention of hon. members to the fact that the county of Northumberland is noted for its production of high-class dairy products. Last year it stood second in eastern Ontario in the production of first grade and specials on cheese, a number of makers scoring one hundred per cent. The dairy industry is suffering from serious and unjust competition on account of the Australian treaty whereby butter from Australia and New Zealand is entering this country on a payment of a duty of one cent per pound. This butter is produced under summer conditions with no overhead expense with which the dairymen in this country are confronted for costly buildings and winter feeding, and the Australian dairymen receive assistance by way of a bounty of six cents per pound on exportations. One result in my county—and I am sure the same thing prevails in many other sections—is that hundreds of splendid dairy cattle have been sold and shipped across the line. The outcome will be greater importations of butter this year, with the dairymen being gradually forced out of business. It seems remarkable that this government would negotiate a treaty whereby Australia could increase at will the duty on automobiles coming from this country, and yet this government is unable to rescue the dairymen of Canada. It appears that the treaty has been of no advantage to either country and very disastrous to Canada. Even the Canadian Council of Agriculture, an avowed low tariff organization, is strong in its condemnation of the treaty.

The United States tariff commission has found that it costs 35.5 cents more to produce a gallon of cream and 4.3 cents more to produce a gallon of milk in the United States than it does in Canada. The present duty on cream going into the United States is 20 cents per gallon and on milk it is 2½ cents per gallon. The National Milk Producers of the United States are demanding an increase of fifty per cent in the duty and it is within the power of the president of the United States to grant this. This would make the duty 30 cents a gallon on cream and 3¾ cents a gallon on milk. In all probability this request will be granted and, if congress takes a hand in the matter, the duty will likely be still further increased. This will be disastrous to milk production along the boundary where scores of cheese factories, on account of the advantage of this market, have been closed and disorganized, and it shows the futility of depending upon foreign markets and sacrificing the home market. If the figures are correct, the difference in the cost of production shows the high state of efficiency of the Canadian dairyman; but what advantage is this if he

is to be taken out and shot before daylight? In 1926 we exported to the United States more than 7,000,000 gallons of milk, valued at $1,245,392, and 5,374,131 gallons of cream, valued at $8,050,912. If we lose this market, what then? I have no criticism to offer of the United States government, but I feel that we should at least have our own home market.

In regard to our immigration policy, I think it is generally conceded that before this country can achieve that prosperity and prominence that is absolutely within the confines of possibility, we must have more population; in fact, if we had sufficient population in this country, profitably employed, many of our greatest problems would be automatically solved. The present government are spending huge sums of money to bring settlers to this country, only to pass them out through the back door to the United States. But what is infinitely worse is that they are not giving our own boys and girls the advantages which they are offering to the foreigners, and while one of our own is worth many foreigners in the progress of this country, they too are going to the country to the south of us. Sir Robert Falconer, President of Toronto University, in his report on the university, is quoted as follows:

> It is not unreasonable for people to complain that many Canadian university graduates are going to the United States, according to Sir Robert Falconer, President of the University of Toronto.
>
> Graduates of Toronto are to be found in every state in the union, says Sir Robert Falconer in the president's report in the university, and he continues: "It would seem that a fair estimate of the number of our graduates of the past decade of Canadian birth who are at present in the United States is between 900 and 1,000, that is to say about 11 per cent of the total. Though this number is too large for the healthful growth of our country, it is, I believe, much smaller proportionally than in other walks of life."
>
> The large post-war classes, Sir Robert believes, could not rapidly be absorbed in Canada during the time of readjustment and there is not much doubt but the exodus in those years was greater than normal. Nevertheless, the condition is considered so serious that Sir Robert Falconer advises, "that every effort should be furthered by means of employment agencies and otherwise that will hold out to our graduating classes the opportunities of our own land."

In my humble judgment this government is working at the wrong end to accomplish any satisfactory results.

A national policy must be inaugurated in this country to develop our natural resources, and enable us to export our products in the finished state instead of, as at present, in the raw state. The export of 1,500,000 cords of raw pulpwood last year brought us $15,000,000. Now if this quantity of pulpwood had been manufactured into finished paper products in Canada it would have brought us anywhere from $90,000,000 to $150,000,000. If the $7,000,000 worth of raw asbestos that we shipped to the United States last year had been manufactured into finished products in Canada before being shipped out of this country, we would have received $77,000,000 for it. The difference in these amounts would have been largely made up of wages. If our nickel, copper and other minerals had been converted into finished products in Canada last year they would have brought us many millions of dollars. With our imports steadily increasing and our exports rapidly declining, with a population of nine million importing goods to the value of nearly three million dollars a day, with our own Canadian investors buying government and municipal securities rather than investing in Canadian industrial enterprises, how can we expect British capital to be invested in this country? As his gracious majesty the King was pleased to say, "Canada has slept long enough; it is time to wake up."

As a national policy for Canada the Montreal Daily Star has put forward in concise phraseology a suggestion which is worthy of consideration, as follows:

> 1st—Apply the system of protection in full measure to secure the home market for the producer.
>
> 2nd—Bonus the manufacturer on his exports to enable him to undersell trade rivals in foreign countries.
>
> 3rd—By a rigid system of inspection compel the manufacturer to sell for home consumption at cost with a restricted margin of profit to be determined by an independent tribunal when the policy in inaugurated, and thus convince the consumer that he is not being called upon to pay the equivalent of the duty.
>
> 4th—Provide strict preventive laws carrying heavy penalties for the evasion of the enactments governing the strict application of this policy.
>
> Critics may maintain that such a policy is revolutionary. It is revolutionary, but Canada has been stagnating too long, increasing our population at a snail's pace while our neighbours under a tariff that is almost prohibitive have been going forward by leaps and bounds, exporting to the countries of the world on a tremendous scale.

In conclusion, Mr. Speaker, when our needs are so urgent as they are at present, I wish to say as emphatically as I can that it is imperative that the government consider suggestions from some other source if they have no progressive policy of their own to offer.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, before submitting to the house the few remarks which I intend to make on the budget, I wish to let the hon.

member for Fort William (Mr. Manion), know, that I belong, and I am proud of belonging to this society of mutual admiration, of which the hon. Minister of Finance (Mr. Robb), forms part. It is worth as much, to say the least, as the one to which he belongs. Our society does not aim at undermining the good name of our country. I shall, Sir, strongly advise the member for Fort William to read the speeches of his friends, but especially his own and he will find therein the evidence to which I allude.

I shall now broach the budget proposal. For my part, I am quite satisfied, and I wish to congratulate the hon. Minister of Finance and assure him that the electors of my riding whom I have the honour to represent, share my satisfaction. Let me, Sir, however, warn the Minister of Finance, that, should he continue giving the country a so able and prosperous administration, my majority which was 16,000, at the last general elections, will increase to 20,000 at the next elections. To please, Sir, our friends to your left—and it is quite true—I shall say that Providence must have helped you to obtain such a success. It must be admitted that your task was most trying, you had to overcome a thousand difficulties that our good friends the Conservatives had created by their administration of speculation, favouritism and false patriotism. Providence, however, must not be charged with all their misdeeds; let us rather acknowledge that they proved unworthy of its protection. Fortunately for the country and the taxpayers, in 1921 by the will of the people, the Liberals came into power, and in a few years brought back to the country peace and prosperity, which we had lost under the Conservative rule. This year the hon. Minister of Finance apprises us of the fact that notwithstanding the reduction of taxation which took place last year, the public debt has been reduced by nearly $39,000,000 or $144,750,000 in five years. Is not this result, Mr. Speaker, of a nature to rejoice us? One must be unfair towards the hon. Minister of Finance and the present government not to congratulate them on their success. The government did not only content themselves with reducing the national debt, with obtaining surpluses in the administration of the country's affairs; but it has done more, this year again, it has reduced the sales tax and the income tax by $19,000,000, or so, thereby relieving the taxpayers who are overburdened with taxation to pay off debts contracted by our friends the Conservatives. I could moreover mention a number of other reductions which have been carried out by this government, but I shall not further take up the time of the house. I should not like however to resume my seat without saying a few words in regard to certain questions which have drawn my attention both in and out of this house.

For a number of years, the scheme of the St. Lawrence waterways from Montreal to the great lakes has been discussed. Many opinions for and against this scheme have been expressed. Commissions have been appointed to study it; but I do not think that there has been a commission appointed to study the necessity of such a project. Certain persons, it is true, have expressed their views on the subject, but I wish to state in this house, that their reasons are not sufficient to carry this scheme through. Must we build this St. Lawrence waterways with the sole object of booming immigration and giving work to the new comers. I think there should be more weighty reasons to justify such a large expenditure. The national viewpoint must be borne in mind. I must congratulate the government on the foresight it displays in coming to the conclusion that this scheme needs further study; it might, perhaps, jeopardize the country's greatest interests.

There is another question which I would like to discuss: it is that of immigration. I think it is the government's duty not to bring into the country people who will in no way help in its development and prosperity. It is not the number but the quality which we should seek. We must deny the entrance of this country to people who would displace those who have made their home here. We must first find work for those who live side by side with us, we must help them to acquire some of the ease and comforts of life.

Before resuming by seat, Mr. Speaker, I wish to also ask the government to reconsider the request of the delegation which came to Ottawa in order to have the tax on corporations of public utilities removed, as for instance the tax on the Montreal Light, Heat and Power Consolidated. It is unfair to the province of Quebec to have these companies pay a tax, because after all it is paid indirectly by the ratepayers of the province. I think that all citizens called upon to pay taxes should be on equal terms. I can understand the government's hesitation in removing these taxes because, at first, this company did not seem to be actuated by truly patriotic sentiments. A company which pays taxes to the amount of $800,000, should be the first to try and help along their customers, and I think that had the company first reduced its rates, the government would be more disposed to remove those taxes and act fairly,

not only towards the citizens of Montreal, but towards all citizens of that province.

Mr. Speaker, in closing my remarks, I wish to again let the government know how I feel elated with the budget proposal. I was once more impressed with the fact, that the true champions and guardians of the Canadian nation, are to be found on this side of the house and not on the other side; I realized that if patriotism exists among the hon. members of this house, it is to be found in the Liberal camp.

Our Conservative friends met a few months ago, at Winnipeg, in a congress which has become famous. The people of Canada expected another political program from our opponents, however nothing turned up. They were satisfied with gilding over their old idols so as to present them again to the people of this country. I fear very much that at the next general elections the same success awaits them. They may keep up criticizing the Liberal policy, making incendiary speeches and thus ruining the country's good name, but I am convinced that the people are better informed than they think, and are in a position to appreciate the efforts and unceasing work of the present government in order to look after the welfare and prosperity of all Canadians.

Mr. SPEAKER: Is the house ready for the question?

Mr. GUTHRIE: Mr. Speaker, it is about ten o'clock, and I know the arrangement between the whips is to continue the debate. I would therefore suggest that this is the right time for adjournment.

Mr. LAPOINTE: But somebody must move the adjournment of the debate.

Mr. GUTHRIE: I understand there was an arrangement as to that.

Some hon. MEMBERS: Question.

Mr. CASGRAIN: It is early yet.

Mr. LAPOINTE: It is not yet ten o'clock.

Some hon. MEMBERS: Question.

Mr. CHARTERS: It was understood, Mr. Speaker, that at the conclusion of the hon. member's speech the Minister of Railways would move the adjournment of the debate.

Mr. GUTHRIE: We were notified that he would move the adjournment of the debate.

Mr. LAPOINTE: But not before ten o'clock.

Mr. SPEAKER: Is the house ready for the question?

Mr. SPENCER: There is an understanding between the whips that the debate shall continue for a day or two because several hon. members wish to speak. As I understand, there is a large party at government house to-night, and probably several hon. gentlemen are absent on that account.

Mr. CASGRAIN: It was understood that the debate should proceed a little longer to-night, but apparently some hon. members who were to have spoken are attending certain functions—I do not know where—and consequently are not ready to proceed. Under the circumstances someone might move the adjournment of the debate.

On motion of Mr. Charters the debate was adjourned.

On motion of Mr. Lapointe the house adjourned at 9.55 p.m.

Wednesday, February 29, 1928

The house met at three o'clock.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Mr. C. R. McINTOSH (North Battleford) presented the first report of the select standing committee on industrial and international relations as follows:

Your committee recommend that 750 copies in English and 250 copies in French of papers and records of evidence to be taken be printed, and that standing order 64 be suspended in connection therewith.

Mr. McIntosh moved that the report be concurred in.

Motion agreed to.

PRIVATE BILLS COMMITTEE

Second report of the select standing committee on miscellaneous private bills.—Mr. Parent.

BANKING AND COMMERCE COMMITTEE

Mr. F. W. HAY (North Perth) presented the first report of the select standing committee on banking and commerce as follows:

Your committee recommend that 750 copies in English and 250 copies in French of their proceedings and evidence which may be taken respecting consideration of the improvement of the banking system of Canada be printed from day to day for the use of the committee and of the House of Commons, and that standing order 64 be suspended in connection therewith.

Mr. Hay moved that the report be concurred in.

Motion agreed to.

PRIVILEGE—MR. FORKE

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I rise to a question of privilege. As reported on page 851 of yesterday's Hansard the hon. member for Frontenac-Addington (Mr. Edwards), speaking of the closing days of the session of 1926, made this remark:

> The present Minister of Immigration and Colonization (Mr. Forke) gave his solemn written pledge to the Governor General that he would stay with the session and with the government until the business of the session was finished and supply voted. It is also true that the pledge was violated.

This is an entire misstatement of the facts and were I permitted under the rules of parliament to do so, I would use a very much stronger term. No pledge was ever asked of me and no pledge was ever given. Mr. Meighen was sworn in as Prime Minister of this country before I ever saw the Governor General. The Governor General asked no pledge; I gave none. He did give me some information in confidence, a confidence which I have never violated.

PRIVILEGE—MR. ESLING

Mr. W. K. ESLING (West Kootenay): I rise to a question of privilege. Under date of August 5, 1927, there is a despatch from Victoria, British Columbia, stating:

> Definite arrangements for a survey to map out the route of the Golden-Revelstoke road were made at a conference here this morning between Hon. Dr. J. H. King, federal Minister of Health and Hon. W. H. Sutherland, provincial Minister of Public Works.

That is for British Columbia. The despatch proceeds:

> The province and the Dominion will undertake the surveys jointly under present plans.

Then under date of February 14 of this year there is another despatch from Victoria stating:

> Construction work on the Revelstoke-Golden highway will be commenced during the present season.

On February 16 I placed on the order paper two direct questions.

Mr. SPEAKER: I should like the hon. member to understand that so far I do not see any question of privilege. Is there in those statements anything which affects the hon. member personally?

Mr. ESLING: Yes. I am just coming to it. It is a question of the veracity of one of the members of this house. I placed on the order paper these two direct questions:

> 1. Did the federal government or any department thereof, enter into any agreement with the government of British Columbia, during the year 1927, for the survey of the road between Revelstoke and Golden in British Columbia?
> 2. If not, has an agreement for such a survey in the present year been arranged for?

After eleven days I get the answer simply:

> The subject is under discussion.

I consider that I am entitled to a direct answer to a direct question.

Mr. SPEAKER: This question might come up before the estimates are taken up, but no question of privilege is involved.

Hon. R. B. BENNETT: Mr. Speaker, there is involved in this a question of the privileges of this house, not a question of the privilege of individuals. The rule is clear that when an answer is given to a question which affects the honour of this house, or when a minister of a provincial government makes a statement which is at variance with that, we have a right as members to raise the question of the privilege of the house when its honour is impugned by the answer to that question.

Mr. LAPOINTE: Surely there is no question of privilege in that. The hon. gentleman has asked a question, which has been answered, and then he quotes an item in a newspaper which says that something else may be the case. Where is the privilege in that?

Mr. BENNETT: No. The answer was given a year ago by the minister himself in the province.

Mr. LAPOINTE: I assume that the person who furnished the answer—

Mr. BENNETT: The minister says it was concluded by the province?

Mr. LAPOINTE: Which minister? It is the newspaper that says that.

Mr. STEWART (Edmonton): As the minister who furnished the answer, speaking for the federal government—

Mr. BENNETT: It is not concluded then?

Mr. STEWART (Edmonton): —I say the answer I gave is in accordance with the facts.

Mr. BENNETT: That is what is wanted.

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): Just because I happen to be the minister from British Columbia, and knowing that my hon. friend from West Kootenay (Mr. Esling) has directed his question at me, I would say for his information

and that of the house that there were conferences between myself representing the federal government and the Minister of Public Works in the province of British Columbia.

Mr. BENNETT: Mr. Speaker, the discussion that is taking place now is wholly out of order.

Mr. KING (Kootenay): I think I have the right to answer.

Mr. SPEAKER: Order. There is nothing before the house so far, and my ruling is that according to the authorities there is no question of privilege involved.

TARIFF ADVISORY BOARD

SEASONABLE FRUIT AND VEGETABLE TARIFF INQUIRY

Hon. J. A. ROBB (Minister of Finance): Yesterday the hon. leader of the opposition (Mr. Bennett) asked for the evidence taken by the tariff advisory board in the fruit and vegetable inquiry. The hearing of this application has not yet been completed, but I have copies of the evidence taken by the board in the last three hearings which I now table.

Mr. BENNETT: Thank you.

JOINT COMMITTEE ON PRINTING

Right Hon. W. L. Mackenzie King (Prime Minister) moved:

That a message be sent to the Senate to acquaint their Honours that this house has substituted the name of Mr. Price for that of Mr. MacLaren on the select standing committee on printing.

Motion agreed to.

LAKE OF THE WOODS REGULATION ACT, 1921 REPEAL

On the order:

First reading of bill to facilitate the provision of storage in Lac Seul in the province of Ontario, and to repeal the Lake of the Woods Regulation Act, 1921:

Hon. CHARLES A. STEWART (Minister of the Interior): With respect to this bill, Mr. Speaker, as it involves an expenditure of public money, I presume that it should be preceded by a resolution, and I therefore ask that this order be dropped. I will give notice of proceeding with the matter by way of a resolution.

Order dropped.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HALIFAX PIER NO. 9—AMERICAN COAL

Mr. SMITH (Cumberland):

1. What portions of pier No. 9, in the city of Halifax, Nova Scotia, are leased?
2. By whom are said portions leased?
3. To whom are said portions leased?
4. Was any quantity of American coal unloaded at this pier during 1927 for any department of the government or any other person or persons?
5. If so, for whom?

Mr. DUNNING:

1. Two areas of 17,000 square feet each.
2. His Majesty the King, as represented by the Minister of Railways and Canals.
3. Alfred T. O'Leary and S. Cunard & Co., Limited.
4. Not by the Canadian National railways or the Department of Railways and Canals. No information as to coal handled by lessees.

COVE ISLAND RADIO BEACON

Mr. THOMPSON:

In view of the marine disaster of last fall on the great lakes, and to make navigation of these lakes safer, is it the intention of the government to establish forthwith a life-saving station on Cove island in the channel connecting lake Huron and Georgian bay, and to install there a position or direction finder?

Mr. CARDIN: Decision has been taken to establish a radio beacon on Cove island.

EGG IMPORTATIONS

Mr. GOTT:

1. How many eggs were imported into Canada during 1927?
2. Where from?
3. What amount from each country?

Mr. MALCOLM:

Imports of Eggs into Canada during the Calendar Year 1927

Countries Whence Imported	Eggs in the Shell		Eggs, n.o.p.	
	Quantity	Value	Quantity	Value
	Dozen	$	Pound	$
United Kingdom	85	197	70,994	17,760
United States	3,171,116	1,382,516	728,918	177,862
China	125	35	1,224,927	267,153
Germany	—	—	200	122
Hong Kong	55,315	21,414	—	—
Newfoundland	4	2	—	—
Total	3,226,645	1,404,164	2,025,039	462,897

PICTOU—CHARLOTTETOWN STEAM SERVICE

Mr. MACDONALD (Kings):

1. What steamer or steamers were engaged in the service between Pictou, Nova Scotia, and Charlottetown, Prince Edward Island, during the season of 1927?
2. What amount of subsidy was paid for this service, and to whom?
3. What was the total traffic carried on this service: (a) freight; (b) passengers; (c) automobiles?
4. What was the total of receipts from carriage of such traffic, including mails and express?
5. Has contract for this service been renewed for the season of 1928?
6. If not, what is the intention of the department with regard to it?

Mr. MALCOLM:

1. S.S. Hochelaga.
2. $35,000.
3. (a) 554.07 tons of freight; (b) 6,060 passengers; (c) 882 automobiles.
4. All particulars of receipts and expenditures on subsidized steamship services are considered by the department to be confidential.
5. The present contract does not terminate until November 30 1928.
6. Answered by No. 5.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BOVINE TUBERCULOSIS—RESTRICTED AREAS

Mr. GARLAND (Bow River):

1. What was the total cost of the enforcement of the restricted area plan to date?
2. What is the total area covered in the plan?
3. What is the total number of cattle inspected?
4. What is the total number of cattle in Canada?

Mr. GARLAND (Bow River): Mr. Speaker, I cannot for the life of me see any justification for having this question passed as an order for return, but I shall not raise any objection if the minister will undertake to see that the replies are brought down as quickly as possible.

Mr. MOTHERWELL: The first section of the question entails a tremendous amount of work and we have been working on it ever since it appeared on the order paper. It will take a considerable time longer before the information will be ready, and that is why we do not want the question to remain on the order paper; there is no advantage in having it there under the circumstances. The information asked for involves so much work that it will probably be more than a week before it is completed.

[Mr. Malcolm.]

Mr. GARLAND (Bow River): As the minister probably understands, this is a question which must be answered if there is to be any intelligent discussion of his estimates, and I trust he will have the answer down before his estimates are brought up.

TARIFF ADVISORY BOARD

Mr. SPENCE (Parkdale):

1. What amount has been paid in: (a) salary; (b) expenses and allowances; (1) during the fiscal year ending 31st March, 1927, and, (2) during the period from the 1st April, 1927, to January 31, 1928, to the chairman of the tariff advisory board?
2. What amount has been paid in: (a) salary; (b) expenses and allowances, to each member of the tariff advisory board during the periods mentioned in above question?
3. What staff is employed by the tariff advisory board?
4. What are their names, date of appointment and salaries?

UNOPPOSED MOTIONS FOR PAPERS

ENGLISHTOWN—INGONISH FERRY MAIL CARRIER

Mr. JOHNSTONE (Cape Breton):

For a copy of all documents and correspondence on file in the Post Office department concerning the dismissal of the mail carrier between Englishtown and Ingonish Ferry, Victoria county, Cape Breton, including all complaints, if any, received by said department.

IVERA FARM POSTMASTERSHIP

Mr. JOHNSTONE (Cape Breton):

For a copy of all documents and correspondence on file in the Post Office department concerning the dismissal of Malcolm McRae, and the appointment of the new postmaster at "Ivera Farm" post office, Upper Middle River, Victoria county, Cape Breton, Nova Scotia.

NATIONAL REVENUE DEPARTMENT —SEIZURES

Mr. W. G. McQUARRIE (New Westminster) moved:

For a return of seizures from 1925 to 1928 inclusive, by the Department of National Revenue, or the former Department of Customs and Excise, showing the following particulars:—

1. (a) the date of each seizure; (b) the description of the property seized; (c) the value of the property seized.
2. The person from whom each seizure was made.
3. The person by whom each seizure was made.
4. The penalties imposed in respect of each seizure.
5. How the seized property in each case was disposed of, and the amounts, if any, realized out of the same.
6. The cost of making each seizure and of holding the seized property.
7. In respect to each seizure, the amount of moiety awarded, and to whom awarded.

Hon. J. A. ROBB (Minister of Finance): In the absence of the Minister of National Revenue (Mr. Euler) I would say there is no objection to this motion being passed, subject of course to the reservation that some confidential payments may have been made to people who gave information.

Mr. BENNETT: I think that is perfectly reasonable.

Motion agreed to.

Mr. W. G. McQUARRIE (New Westminster) moved:

For a return in respect of seizures by the Department of National Revenue or the former Department of Customs and Excise from 1925 to 1928 inclusive, showing the following particulars:—

1. The name of each person employed by the department for the purposes of seizures.
2. The locality in which each person making seizures acted on behalf of the department.
3. The salary of each such person and his expenses in 1925, 1926, 1927, and 1928.
4. (a) The number and value of seizures made in 1925, 1926, 1927, and 1928, by each person; (b) and the penalties imposed in each case.

Hon. J. A. ROBB (Minister of Finance): There is no objection to this motion passing, subject to the reservation I made with regard to the previous motion.

Motion agreed to.

RELATIONS WITH SOVIET RUSSIA

On the orders of the day:

Mr. A. A HEAPS (Winnipeg North): On the 16th of February the house passed a motion asking for the production of all papers regarding the breaking off of relations between Canada and soviet Russia. Has the minister received any reply from the imperial government regarding that matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am as anxious as my hon. friend to receive a reply, but I am sorry to have to tell him that none has come as yet. I will send another communication.

SALARIES OF RURAL POSTMASTERS

On the orders of the day:

Mr. W. T. LUCAS (Camrose): Mr. Speaker, when Canada returned to penny postage the salaries of country postmasters were lowered by reducing the commission on the sale of stamps. I should like to ask the Postmaster General (Mr. Veniot), if he has remedied this situation; and if so, has he made any provision for an increase in the salaries of these postmasters?

Mr. SPEAKER: Notice should be given of such a question.

NOTICE OF COMMITTEE MEETINGS

On the orders of the day:

Sir GEORGE PERLEY (Argenteuil): Mr. Speaker, I should like to call your attention and the attention of the house to the question of notice of meetings of committees. I know there is nothing in the rules in regard to it, but it seems to me that we should have at least twenty-four hours' notice of these meetings. I hold in my hand two notices of meetings of committees held this morning. I am a member of those committees, but these notices were not in my box at three o'clock yesterday afternoon. I submit it is not fair to members of committees of the house that they should be given such short notice, and I would suggest that at least twenty-four hours' notice be given of these meetings.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I speak subject to correction, but my impression is the notices of meetings of committees appear in the votes and proceedings. If my hon. friend will look at the votes and proceedings from day to day he will, I think, get the the twenty-four hours' notice which he desires.

Sir GEORGE PERLEY: The notices of these committee meetings are contained in the votes and proceedings of yesterday, but we did not receive these votes and proceedings until to-day. There is no notice of these meetings in Monday's issue.

Mr. MACKENZIE KING: I think my hon. friend will find that the notices were published in the votes and proceedings of Monday as well as in yesterday's issue. Nevertheless, Mr. Speaker, it would be advisable to have the notices sent to the post office as quickly as possible.

Sir GEORGE PERLEY: They are not in my copy of Monday's votes and proceedings.

Mr. MACKENZIE KING: I will send my hon. friend my copy.

TOBACCO GROWING INDUSTRY

On the orders of the day:

Mr. E. J. GOTT (South Essex): Mr. Speaker, yesterday, in his absence, I put a question to the Minister of Agriculture (Mr. Motherwell). It related to the tobacco growing industry in western Ontario. I should like to know if he is now prepared to give me the information I then asked for.

Mr. SPEAKER: The question should be placed on the order paper.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Will my hon. friend repeat the question?

Mr. GOTT: I want to know what attitude the government is taking in appointing a commission to investigate the condition of the tobacco growing industry in western Ontario, what proposals are contemplated in regard to handling the situation, and upon whose recommendation the commissioners were appointed.

Mr. MOTHERWELL: Mr. Speaker, I think that is a very proper question to put on the order paper.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Tuesday February 28 consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, the budget proposals of the hon. Minister of Finance (Mr. Robb) now being discussed—

Some hon. MEMBERS: Louder.

Mr. SPEAKER: Order please. There is too much conversation in the house; I cannot hear the hon. gentleman.

Mr. CANTLEY: Mr. Speaker, the budget of the hon. Minister of Finance now being discussed by all sections of the house does not suit me either as to what the minister proposes or as to what he has omitted from its provisions; in short I do not like it at all and I wish now to state why I do not like it.

First: It fails to give fair and necessary protection to important industries which would, if properly safeguarded, provide a large measure of employment for our people. Another reason for my dislike is that the minister attempts to save an important industry from the disabilities which this budget imposes on it by lowering or removing the duty on some of the material employed in that particular industry here again resorting to the tactics employed in the case of the agricultural implement industry, and later the automobile industry, when, in each case, one of the great basic industries of this country was sacrificed in the effort to save from extinction industries he had directly attacked by the tariff changes then introduced. And, mark this, that in most, if not all of recent Liberal budget changes, the industries most hurt were those basic industries, particularly those of my native province—coal and steel. These were most unfairly and flagrantly attacked and a quite indefensible advantage given industry located in another province.

I am sorry the Minister of Finance is not in the house, as I desire to make some further remarks that I think should be of interest to him. The minister, I am convinced, is not naturally a hard-hearted tyrant or wholly indifferent to the claims of those engaged in industries outside of his native province. Rather, I choose, to think that his seeming indifference and total failure to give any practical assistance to the coal, iron and steel industries, is due to a lack of knowledge of the facts, and failure to appreciate their importance or the scope and magnitude of the injury which the policy of the Liberal government has inflicted on the chiefest industry of my native province, Nova Scotia.

The hon. member for St. Lawrence-St George on Monday of last week referred to the steel situation and gave the house some startling facts as to the position of the industry, supporting his arguments by figures as to employment and production and the dire effect of the policy of the government as regards what undoubtedly is the greatest basic manufacturing industry of this country, and I shall not weary the house with a repetition of the facts, figures and arguments so ably presented by him at that time.

But may I now further direct the attention of the Finance minister to the matter and remind him that in 1913 we had in Canada twenty-three more or less active blast furnaces. Of these, nine were situated in Nova Scotia, three in Quebec, and eleven in Ontario. Of these, only three, or possibly, to-day, four are in operation.

Our imports of raw iron and steel are now more than double what they were in 1923, when they were, in round figures, 123 millions of dollars; in 1924, 140 millions; 1926, 158 million, and last year—1927—approached a quarter of a billion of dollars, or, to be exact, $248,151,564. May I also remind him that in 1924 there was mined and smelted in Canada a million and a half tons of Ontario iron ore, and last year not a single ton.

Ontario blast furnaces are now depending on and are smelting iron ore mined in the United States, aided in one instance at least by the lowest railway rate in existence on this continent. Not a ton of Canadian ore is now mined in the central provinces of

Canada and this, despite the fact that both Quebec and Ontario have vast deposits of workable ores situate in many cases close to the main trunk lines of these provinces.

Our Nova Scotia blast furnaces work entirely on Wabana red hematite ores which lie some 400 miles from the harbour of Sydney, Cape Breton, where at Sydney Mines and Sydney, our great iron and steel producing plants are situate.

Now, I want to refer to the tariff. I have in my hand the customs tariff of Canada for 1907, with amendments. It is twenty-one years old. It contains more amendments than original items, and it is very difficult without the expenditure of a large amount of time to determine from this book what the tariff is on any particular item of goods imported into this country. It is a crying disgrace to the two ministers interested, the Minister of Finance (Mr. Robb), who fixes the duty, and the Minister of National Revenue (Mr. Euler), who collects it. We have a tariff commission which is supposted to have been operating for nearly two years, and I hope the ministers will give them something practical to do, because up to the present time I know of nothing practical they have done. They might take in hand the revision of this document, which is a disgrace to the country. And I say this without any fear of contradiction.

If we had a logical iron and steel tariff we should not have a condition of affairs under which pig iron is given a duty of $2.50 a ton and billets made from pig iron, converted first into steel in the melting furnace and afterwards put through the rolling mill, is given a lower protection than that which is accorded the raw material from which it is made. The duty on steel billets is actually 11 per cent less than it is on pig iron. The conversion of pig iron into steel billets costs probably about $10 a ton. This outlay includes the fuel used as producer gas in the open hearth furnace and in the reheating furnace, as well as expenses connected with repairs, scrap losses and so forth. All these are elements which enter into the conversion of pig iron into steel billets, and notwithstanding this considerable expenditure the fact is, as I have stated, that the duty on the finished product, the billets, is about 11 per cent less than that on the raw material, pig iron.

I will ask the house to consider the sectional factors of the tariff. Pig iron is made in Nova Scotia, in Hamilton, and in Algoma. The Nova Scotia producer uses coke made from domestic coal produced by the miners of that province, while the Hamilton and the Algoma iron and steel plants use United States coal, receiving a drawback of 99 per cent on the duty. Let us consider the situation from this point of view. On each ton of pig iron made Algoma spends within the Dominion, say $2.50, Hamilton about $3 and Nova Scotia about $9. It follows from this that the labour involved in the production of pig iron in Nova Scotia is three times as great as in the case of Ontario, and in spite of this fact the Nova Scotia product enjoys only the same rate of duty. We put three times as much labour into the production of pig iron as the manufacturers employ in Ontario and we have exactly the same protection, so that in effect the Nova Scotia coal miners and a large body of iron and steel workers have absolutely no protection whatever. Let us take another case. One Ontario manufacturer gets duty free spring steel, his raw material, for use in his factory, and he had on his output a protection of 25 per cent; a Nova Scotia manufacturer, using exactly the same grade and size and kind of steel, pays a duty of $6 a ton and has a protection on his harrow teeth of 6 per cent. Is there anything fair as between these two cases? I ask the house to consider our position, due to the provisions of a sectional and unscientific tariff, under which relatively unimportant secondary industries requiring little equipment are able to import raw material at the low rate of duty of 5 per cent—in one case duty free—while enjoying a protection of 25 per cent and in some cases 30 per cent. I will give an instance. Take tariff item No. 383, iron and steel skelp sheared or rolled in grooves, duty 5 per cent. I want to point out two different features in relation to this item. Under the general tariff the rate of duty is $7. The ordinary consumer of iron of this class pays $7 a ton while, on the other hand, the manufacturer of pipe imports it in the form of steel skelp in one case at 5 per cent and in the other duty free. This 5 per cent skelp duty is the same under the British preference, the intermediate and the general tariff.

Mr. CHAPLIN: Will the hon. member give the meaning of the word skelp, so that the house may understand the matter more clearly?

Mr. CANTLEY: Skelp is the trade name given by steel and pipe makers to strips of steel intended to be rolled or drawn through dies in the forming of ordinary merchant pipe. If I want to produce pipe with an internal diameter of one inch, I purchase or roll, as the case may be, a bar of steel, say, one-eighth of an inch thick and say four inches wide. For larger pipes I roll the steel wider, and for still larger pipes wider still, and so on, using an increasingly heavier material. The

material may be rolled to the width and thickness suggested, or it may be rolled first in the form of sheet steel of the required thickness and afterwards sheared to the desired width. Material produced in either of these forms is known to the trade as steel skelp for pipe making. I am at present referring to an industry which is able to import skelp at a duty of 5 per cent while it is protected by a tariff ranging from 27½ to 30 per cent. I contend that there is class discrimination in this matter, and I say this for the reason that if material of exactly the same dimensions is imported by the users of steel for any other purpose they pay $700 per ton under the general tariff, whereas the concern which is using it for the manufacture of pipe gets it at 5 per cent and enjoys a protection on his pipe by way of a duty of 27½ to 30 per cent. The products of the furnaces, forges and mills in Germany, of all continental Europe, and the surplus of the United States, are in this case accorded equal treatment with the British product, the principle of preferential treatment being entirely ignored. The whole productive capacity of Great Britain, of Europe and of the United States is placed at the disposal of the merchant mill operator and the steel pipe producers of Montreal and elsewhere, and they are able to import steel billets and steel skelp at the lowest possible world's figure, assisted by ballast rates of freight, the product being admitted into Canada at a duty of 5 per cent, irrespective of any interests save their own. It would appear to be a matter of no concern to the Minister of Finance or to the government that our Nova Scotia coal miners are to-day idle, or that many of our blast furnaces, coal washeries, open hearth furnaces and the great steel producing plants, each unit costing millions of dollars, are silent, with thousands of former operatives idle. On the other hand, the pipe manufacturers, whose raw material is imported skelp and whose operations are often carried on in a building little more than a glorified shed, equipped with a few small heating furnaces possibly using waste gas from the city gas works and requiring only the simplest type of machinery, enjoy a protection of 30 per cent under the general tariff and 27½ per cent under the intermediate tariff. This merchant pipe so produced and so protected by the tariff finds itself in the centre of the consuming area of Canada and in the chief distributing centres of this country with a consequent low distribution cost.

The whole tariff history of the world cannot supply such concrete evidence of the total lack of a rational tariff policy or a more unfair, unjust and illogical application of the taxing powers resting in the Minister of Finance. I invite the minister to consider all the facts relative to item 383; his commissioner of taxation has been thoroughly acquainted with the situation for a long time, and can readily give him all necessary information.

In 1920 the investment in primary iron and steel plants in the Dominion amounted to $120,000,000 in round figures, or 18 per cent of the total manufacturing investment of Canada; by 1926 this had fallen to about $86,000,000, or 14½ per cent of our total manufacturing investment. In 1920 the value of our primary iron and steel products was about $139,000,000, or 21 per cent of the entire manufacturing production for that year, while during the three years 1924, 1925 and 1926 the value of these primary iron and steel products had fallen to an average of less than $37,000,000, or a drop of 70 per cent. To put it in another way, the value of the primary products of iron and steel in 1926 was only 8¼ per cent of the entire industrial production of this country. Looking at it from still another point of view, about 92 per cent of the value of the secondary iron and steel products of Canada is based on the fabrication of raw forms of iron and steel imported into this country, while some of these secondary products enjoy the highest rates of duty imposed by our tariff.

The fundamental value of this great Canadian industry lies in the pig iron and steel produced; in other words the products of our blast furnaces, open hearth plants and rolling mills which should and under a properly graded tariff would provide the raw material for the secondary metal industries. I should like at this point to place on record the relative positions of the primary and secondary divisions of the industry as shown by the operatives employed and the wages paid during the years 1920 and 1926. The figures are as follows:

	1920		1926	
	Persons employed	Wages and salaries paid	Persons employed	Wages and salaries paid
Blast furnaces and steel mills	13,874	22,824,530	6,014	8,934,536
Subsidiary plants	101,887	135,860,417	75,400	125,229,867

As shown by these figures, the secondary plants are about holding their own with regard to earning power, but certainly this is not the case with the blast furnaces and rolling mills.

I invite the Minister of Labour to consider the fact that in 1913 Canada had nineteen blast furnace stacks in operation with only five idle, while to-day we have but four producing furnaces, with 80 per cent of the investment and employment capacity of Canada's iron and steel industry idle and unremunerative. This has been the case for several years past, and the wages earned have been only 40 per cent of those earned six years before. Is not the Minister of Labour (Mr. Heenan), interested in that situation? Let the minister ask the people of Sydney Mines, Glace Bay, Sydney, New Glasgow and Trenton to give him the facts with regard to empty houses, municipal bank overdrafts, distress assistance and the emigration of thousands of our best artisans, and having done this, I ask him to impress upon the Minister of Finance the gravity of our position.

Then I would invite the government to consider the matter from another angle. In Nova Scotia we did all the pioneer working out of the intricate and difficult problems of the steel trade as it is now practised in this Dominion, and I would remind the house that pioneering in industry is expensive. The first open hearth steel plant in Canada was put into operation at New Glasgow, Nova Scotia, in 1882, when the Scotia Company, to give it the short local name, in August of that year made the first open hearth steel and poured the first steel ingot produced in Canada. Here I would like to pay a tribute to the courage, faith, indomitable energy and Scottish persistence of three men, all natives of New Glasgow, who were the real fathers of the steel trade in Canada. They successfully overcame all the pioneering difficulties which came up in the establishment of the steel industry based on the use of native ores, fluxes and fuel, aided wholly by native workers. I refer to the late Graham Fraser, George Forrest Mackay and Simon A. Fraser, men with whom it was my great privilege to be intimately associated over a long period of years.

The New Glasgow Iron, Coal and Railway Company, organized by Graham Fraser and some intimate friends in 1890, shipped abroad trial lots of Pictou coal. These were not hand samples, bag samples or ton lots, but consisted of some hundreds of tons. This coal was sent to the Westphalen or black country district of Germany, where exhaustive washing and coking tests were carried ont. The knowledge thus gained enabled us to determine the type of washery and coke ovens best suited to our fuel conditions. This information was put into practical effect in 1891, at Ferrona in the county of Pictou, where the first commercial coal washer and also the first rectangular retort coke ovens designed to produce blast furnace coke from washed coal were built and put into successful operation. This coal washery and these ovens were the first of their type on the North American continent. Ten years later followed the great development at Sydney and Sydney Mines, where eight modern blast furnaces with coal washing and coke oven equipment and by-product plants were established. During the war these plants first produced the toluol which made possible our great contribution to the demands for explosives for our armies and those of our allies from 1915 until the end of the war. Connected with these blast furnace plants, situated one on each side of Sydney Harbour, are seventeen open hearth melting furnaces with capacities of fifty, seventy and one hundred tons, some of which are of the most modern design on this continent. Those at Sydney Mines are fitted with secondary plant for fluid compression of steel, where great hydraulic presses exert a pressure of 4,000 tons per square inch on the plastic steel contained in reinforced ingot moulds thus displacing the inert gases and consolidating the metal, eliminating blow holes and surface cracks, and ensuring a more homogeneous, better and safer material for railway car and locomotive axles and large marine forgings, giving to these a degree of safety and dependability not otherwise obtainable. This magnificent plant with its accompanying ore piers, coal washers, coke ovens and blast furnaces, and refractory brick works, representing an outlay of many millions of dollars, and half our coal mining capacity, is to-day all idle, with a consequent lack of employment, lessened purchasing power for our people, less traffic for our railways, and a loss of one-half the population from a town of 10,000 people boasting large brick public schools with modern public utilities of water, lighting, sewerage and tram car service. There, where formerly visible and tangible evidences of success, optimism and progress prevailed, depression, discontent and despair now exist, due, Mr. Speaker, to the fundamental change in the former tariff structure of this country. These changes at first were small, but were followed year by year by others, all of the same unpatriotic and fundamentally vicious type, and all gradually but surely producing their dire effects on the great basic industry

of Canada. This is the situation which now exists and which the Finance minister to-day refuses or neglects to remedy in the slightest degree. He fiddles with cotton threads and offers our coal and steel workers duty free foreign woollen yarns with which to darn their mitts and moccasins, while they and the spinners of Canadian yarns go idle and in want. And that, Mr. Speaker, is the sum total of the relief offered the coal and steel industries by the tariff changes which the Finance minister has just presented to the house.

The facts as to the position of the iron and steel industry, and the paralyzing effect of the tariff, discriminating as it does against this Nova Scotian industry, were presented to the tariff advisory board on May 26, 1926, now nearly two years ago, but, so far nothing is known as to the action taken by the board or the advice given by them. Meanwhile, incalculable loss of capital and wages has resulted, population has declined, distress, disappointment and unrest have followed, and we are yet without even any suggestion of sympathy or practical help from the Finance minister or the government.

As to coal, I shall not delay the house with any lengthy reference to the coal mining industry of Nova Scotia, the main facts as to which have already been fully put before the house, but will merely say that that industry as now carried on in Canada does not provide the continuity of employment desirable and necessary to the well being of those employed in it, and a radical readjustment of our dealing with the industry is imperative.

I should like to draw the attention of the house to a considered statement made by the Dominion Bureau of Statistics at the suggestion of the royal commission on maritime disabilities, which directs attention to the intimate connection between the coal and steel industries and the population of Nova Scotia.

Coal mining, while carried on in Nova Scotia for more than a century, received its greatest stimulus when the steel industry was taken up, first at New Glasgow in 1882 and further extended in 1891, followed by a great advance in production in 1900, due to the construction of large iron and steel plants on both sides of Sydney Harbour.

The relative importance of Nova Scotia as a producer of coal and steel is shown by the fact that up to about 1880 virtually all the Canadian coal output came from Nova Scotia, and up to a still later date, or about 1895, virtually all the pig iron and steel produced in Canada was made in Nova Scotia. Now while the tendency of later years has been to diminish the relative importance of Nova Scotia as a factor in coal, iron and steel production in Canada, it cannot be forgotten that these allied and basic national industries first attained importance in Nova Scotia. It is the chief misfortune of that province to be overshadowed now by the more rapid, if more superficial, progress of central Canada, greatly due to unfair legislation.

The extent to which the Nova Scotia coal and steel industry has suffered may be gauged by constrasting the continuous increase in the coal output of the province for twenty years prior to the great war and the disappointingly opposite trend shown since the close of the war, which downward trend is largely a reflex of the difficulties attending steel manufacture in Nova Scotia, arising out of unsatisfactory and unfair tariff and railway freight conditions. Notwithstanding these discouraging features the striking fact is that the only local increase in population that has occurred in Nova Scotia since confederation was due to and associated wth the coal and steel industries.

The increase of population in the municipalities in which the coal and steel operations were carried on during the thirty years period between 1891 and 1921 was approximately 74,000 persons. The total increase of population in the province between these two decades was 73,000, namely, an increase from 450,000 to 523,000. I ask hon. members to note this: but for the increase in the coal and steel districts, there would have been no growth in the population of Nova Scotia during the past thirty or forty years. The growth of the coal industry has created several new towns and greatly enlarged others, something which has not occurred in connection with any other industry in that province. But the emigration from the maritime provinces, and especially, from Nova Scotia, has cancelled the combined increase due to immigration and natural increase. But for the employment and the creation and distribution of wealth connected with the coal and steel industries, with which undoubtedly is associated all the growth in population in Nova Scotia in forty years, the emigration from Nova Scotia would have been even greater than it has been. The census of 1931 in all probability will reveal a decline in the population of such towns as Sydney Mines, Sydney, New Glasgow, and Trenton, which have been affected by the lack of employment in the steel industry, and to a lesser but no means negligible extent in the coal industry. This fact makes still more understandable the real sense of fear that assails the Nova Scotian who witnesses the decline year by year of the steel industry and the effect of this decline upon the production of coal.

These startling facts should command the attention of our friends in other sections of the Dominion, and especially the government, and my respected friend, the hon. Finance minister to whom I appeal primarily. It is to him we look for that succor and relief which he can give, and that without permanent injury to any legitimate Canadian industry.

We on this side of the house are sometimes taxed with failure to present any constructive suggestions although we indulge in criticism of the government. The Finance minister intimated that he would welcome any workable plan looking to provision for a sinking fund or any suggestion that will contribute to the earlier retirement of our national debt. I now venture to suggest that he impose a duty of a dollar and a half per ton on all coal and coke imported into Canada. That duty would not exceed, say, 20 to 25 per cent ad valorem, taking the average value of such fuel at the point of entry, and the total tax collected could be placed to the credit of a sinking fund for the extinguishing of the national debt. Were this done, the minister would be able to retire annually from that source say twenty-five or thirty millions of dollars of our outstanding national obligations. Of course the sum thus available for debt reduction would be gradually lessened in proportion as our domestic coal replaced imported fuel. A further great advantage would be to increase largely the range of consumption of Canadian coal, develop our own enormous western coal deposits, provide employment for a large mining population, go far to prevent seasonal unemployment in our eastern mining districts, and within a reasonable time put Canada in an independent position in the vital matter of fuel for both domestic and industrial purposes.

Mr. RALSTON: How does my hon. friend propose to keep out American coal and at the same time collect duties to be applied to the reduction of the national debt?

Mr. CANTLEY: I will answer that. I have said that the amount available would gradually diminish as we replaced foreign coal with coal mined in Canada. That statement stands. Were this proposal adopted, the bonus on coke as provided by bill No. 123 of 1927, to encourage the production of domestic fuel from coal mined in Canada, might be abandoned, it is of no practical use anyway. This suggested rate of duty may appear unduly burdensome to our Quebec and Ontario friends; but perhaps I may be permitted to remind them that they have been the greatest gainers by the protective policy of the past and such as yet remains of that policy, and they have enjoyed a measure of prosperity not shared to anything like the same degree by the outlying provinces, either those of the east or those of the west. May not we, therefore, now appeal to their generosity and ask them to aid their less fortunate compatriots? Further, I know I can appeal to the deep and oft expressed sentiment of Quebec and Ontario as to Canadian unity and remind them that the consolidation of this great Dominion can be assured only by the removal of recognized handicaps and the providing of opportunity for each of the provinces to develop their natural resources and to provide adequate outlets for the energies of their people.

In conclusion I have just this to say:

In view of the past history of the coal, iron and steel industries of Nova Scotia, and the important contribution those industries and the men who created and developed them have made to the national and industrial life of Canada; in consideration of the gravity of the present position of those industries and those dependent on them, I again appeal to the Finance minister to amend his budget proposals now before the house and to give to these great Nova Scotia industries the protection and assistance necessary to their successful operation and due them by virtue of their primary importance to Canada, and of the prosperity and contentment of so large a portion of our maritime population, whose well being, I am convinced, is desired by our compatriots in every province of this Dominion.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I am sure the hon. member for Pictou (Mr. Cantley) will forgive me if I do not follow his speech in detail. It is one of the same general type as the others that have come from members on that side of the house, and in my general discussion of the subject matter of one of them I need make reference but rarely to any individual speech, because they are practically all along the same line, dealing with the same matters in precisely the same way.

I think it is due to the Minister of Finance (Mr. Robb) to say that few men have been privileged to present to parliament a succession of such satisfactory budgets as those which have become known from coast to coast in Canada as "Robb" budgets. The man on the street finds it much easier to understand the mind of the present Minister of Finance and what the present Minister of Finance has for an objective, than is usually the case in connection with budget statements by min-

isters of finance. I need not refer to the respect in which the Minister of Finance is held in this house. Every member on both sides will agree that his genial personality and his fine treatment of all of us are universally admired and respected. We may not all agree with him. I usually do; members on the other side do not; but in the references which have been made to the minister personally, the respect in which he is held by all parties in this house is apparent.

In criticism of the budget there has been constant repetition from the other side of the house of the statement made by the hon. member for St. Lawrence-St. George (Mr. Cahan), in opening the debate, regarding the treatment by the Minister of Finance of the debt due by the Canadian National Railways to the public. Other speakers, notably the hon. member for Leeds (Mr. Stewart), have developed the same theme along similar lines. In fact the hon. member for Leeds went so far as to say that the present Minister of Finance had adopted a different method from that of Mr. Fielding in the treatment of railway financing in the budget speech. Previously the accusation by the hon. member for St. Lawrence-St. George was that a different method had been adopted from that followed by the Conservative government in 1921-22. I shall endeavour to deal with both. The hon. member for Leeds showed that Mr. Fielding, in considering the decrease or increase of public debt, took into account cash advances to the railway. That I think is correct. May I point out to my hon. friends opposite that the present Minister of Finance does exactly the same thing, and has done exactly the same right along? The fact of the matter is that all the debt of the Canadian National Railways to the people of Canada is now treated as part of the net debt of the Dominion. All the debt of the Canadian National Railways to the outside public is not and has never been treated as part of the net debt of Canada by any minister of finance or any government, and I propose later to discuss the reasons why.

What the hon. member for St. Lawrence-St. George referred to the other day—and the hon. member for Leeds sought to support his contention—was the guarantees of the Dominion on railway account. The hon. member for St. Lawrence-St. George said—and I think I am quoting him correctly—that on a proper basis of accounting the bond guarantees on railway account would have appeared as a direct liability of the government of Canada. Those, I think, are his exact words. That argument was not supported by the quotation from Mr. Fielding's budget speech of 1922-23 quoted by the hon. member for Leeds, because it so happened that in 1922-23 there were no railway guarantees and during the present fiscal year there have been no cash advances on railway account. The hon. member for Leeds therefore cannot properly compare the two cases. Let me for a moment quote the hon. member for Leeds. This is what he said:

> The explanation is found in the fact that in the year 1923 an amendment to the Canadian National Railways Act was passed, permitting the government to guarantee securities issued on behalf of the system; and since that legislation was enacted the government have adopted the principle of guaranteeing the obligations of the national railways and then forgetting all about it when coming to deal with the liabilities of Canada at the end of the year.

Mr. HANSON: Hear, hear.

Mr. DUNNING: My hon. friend says "hear, hear." Like the hon. member for Leeds he seeks to make it appear that the present government has altered the accounting method of the Department of Finance to enable it to make a better showing. That is what my hon. friend meant.

Mr. HANSON: The minister forgot about it in presenting his budget.

Mr. DUNNING: For my hon. friend's information I should like to state that the change in the form of the estimates to provide that advances to the railways might be made in the form of cash or by way of guarantees, or partly in cash and partly by guarantees, in the discretion of the governor in council, was made for the first time in the fiscal year 1921-22 by the government of which my hon. friend was a supporter. The general form of that estimate and the general treatment of the matter has been continued, and very properly continued, I submit, by the present Minister of Finance (Mr. Robb).

I might also call attention for the benefit of my hon. friend from York-Sunbury (Mr. Hanson) to the fact that during the fiscal year 1921-1922, when the government of which he was a supporter, a Conservative government, was in power there were guaranteed loans for Canadian National railway account in March, July and September of that year, totalling $61,000,000, floated by the Conservative government, not one dollar of which was taken into account as increasing the net public debt, nor were the statutory guarantees of the same government in previous years. I cite these facts, Mr. Speaker, not for the purpose of criticizing our predecessors in office, but simply to demonstrate that the practice has not been changed. My hon.

friend produced a certificate of one of the leading firms of chartered accountants in Canada to demonstrate that fact. Does anyone argue that the firm of P. S. Ross & Sons would give a certificate to that effect if it were not true. Does anyone argue that a firm of auditors of their reputation, a firm which I believe I am correct in saying has been engaged by the province of Nova Scotia, the province of New Brunswick, and many large business organizations in this country—

Mr. STEWART (Leeds): Would the minister allow me a question?

Mr. DUNNING: If the Speaker will allow me the time I take to answer it, yes.

Mr. STEWART (Leeds): How much of that 1921 guarantee to which the minister refers was for refunding of existing obligations?

Mr. DUNNING: I do not think I have the figures of refunding here but a large portion of the amount in any case was not for refunding, and if I follow my hon. friend from St. Lawrence-St. George correctly, he would not draw any distinction in his treatment whether it was for refunding or not. He would have it all charged to the net debt of Canada without any distinction whatsoever.

Now as to the propriety of the matter, for, after all, we are here considering the business of this country, is this a correct business procedure, no matter whether or not the Conservative government did it, no matter whether the Liberal government continued the practice? The question is, is it a sound and a correct procedure? I submit that it is a quite correct procedure on the ground, first, that it is a procedure which is followed by every single government in Canada with respect to similar undertakings. I would cite first the government of the province of Ontario, which has outstanding a very large amount, some fifty million dollars, of securities guaranteeing the financing of the Ontario Hydro-Electric Commission, a public-ownership utility analagous in some degree at least to our Canadian National Railways.

Mr. RYCKMAN: They have assets for every dollar of guarantees.

Mr. BENNETT: There is the answer.

Mr. DUNNING: I will come back to my hon. friend in a moment. I am not saying, not for one moment, that they do not have assets for every dollar of guarantees. The same method is followed with respect to every guarantee behind a public utility in every province in Canada.

Mr. STEWART (Leeds): Would the minister permit me a question?

Mr. DUNNING: I am ready to answer the question, if I am allowed the extra time.

Mr. SPEAKER: It is not within my privilege to extend the time of any hon. member. I have to see that the forty-minute rule is observed.

Mr. DUNNING: If I am not to be allowed the time I hope my hon. friends will allow me to use my own forty minutes, not that I do not like interruptions.

Mr. MANION: We were all up against that, you know.

Mr. DUNNING: With regard to the Ontario hydro, exactly the same policy is followed by the government of the province of Ontario. The hydro debt guaranteed by the government is not taken into account as part of the net debt of the province.

May I go further in connection with the province of Ontario and say that the example of the Dominion with respect to railway financing has been thought so highly of by the government of that province that a short time ago, in 1925, the Ontario government amended the Timiskaming and Northern Ontario Railway Act to give power to the government of Ontario to do with the Timiskaming and Northern Ontario railway exactly as we are doing with the Canadian National railway. Not only that, Mr. Speaker, but during the current year, $6,000,000 of Timiskaming and Northern Ontario railway bonds, the bonds of the provincial government-owned railway in the province of Ontario, have been issued by the Timiskaming and Northern Ontario railway commission and guaranteed by the province of Ontario.

Mr. McGIBBON: The railway is paying the interest.

Mr. DUNNING: My hon. friend at last sees it. That indeed is the whole point. That portion of the debt of the Canadian National Railways which is owed to the government of Canada, and upon which the taxpayers of Canada as such are paying interest, is a part of the net public debt. That portion of the debt of the Canadian National Railways which is owed to the public and on which the railway is earning the interest, is not a part of the net debt of Canada, but is a charge against the railway. Every province of Canada—I need not take up my time to run over all the examples—treats similar institutions in a similar manner. There might be some criticism if any part of the Canadian National indebtedness to this government did not ap-

pear as part of the net public debt, but there can surely be no valid criticism of the proceedure of not charging against the net public debt of this country moneys on which as stated by my hon. friend from Muskoka (Mr. McGibbon), the railway itself earns the interest and pays it.

Mr. BENNETT: The only trouble is that it does not.

Mr. DUNNING: My hon. friend will have an opportunity to prove that before the special committee. I can only say this: My hon. friend the Minister of Finance sits by my side at this moment and he has not this year paid out of the public treasury interest on any part of the Canadian National debt due to the public.

Mr. BENNETT: He lent them $15,000,000.

Mr. DUNNING: Will my hon. friend please permit me to make my speech? He will be unlimited himself as to time.

Mr. BENNETT: I apologise; I am very sorry.

Mr. DUNNING: After all, Mr. Speaker, what is the objective of the attacks to which I have been referring? The objective is to attempt to deprive the Minister of Finance and this government of the credit which the statement of the independent auditors gives to the Minister of Finance for having reduced the net deadweight debt of this country by $106,000,000 in five years. After all, Mr. Speaker, it is clear to the average man at least that the taxpayers of Canada are to-day paying interest on $106,000,000 less than they were paying interest on five years ago, and that so far as the Canadian National railways are concerned they are earning now year by year sufficient to pay interest on their obligations due to the public. After all, Mr. Speaker, the deadweight debt of this country is represented very largely by the wastage of the war, leaving behind it no tangible assets which can be taken into a balance sheet, although, of course, we have the great asset of personal liberty and all of those things we cherish, which, while they cannot be taken into a balance sheet, are, nevertheless, very important intangible assets for the people of a nation to enjoy. Our deadweight debt, I say, largely consists of the wastage of war. On the other hand, the increase in the Canadian National railway indebtedness to the public represents this nation's investment in the peaceful development of Canada—branch lines, betterments of all sorts, new equipment—and the road, as I say, is now earning sufficient to meet the interest payments upon its obligations due to the public.

What is this new investment of money in the Canadian National accomplishing for Canada? It is facilitating the development of the country and producing more business for the railway; and instead of being an added load upon the public, the railway is increasingly able, out of its earnings, to bear the charges on the debt due to the public.

Mr. HANSON: Does that apply to the Intercolonial railway and the Transcontinental?

Some hon. MEMBERS: Order.

Mr. DUNNING: It applies to the Canadian National Railways.

Now I want to refer shortly to the Conservative amendment to the budget—a very interesting amendment. My own opinion of it is very well expressed in an editorial which I will quote for the benefit of the house. My opinion could not have been better expressed if I had written the editorial myself; but it is not my production, it is from that well-known Tory publication, the Financial Times of Montreal. This is the opinion of St. James street:

> The budget amendment presented by the Conservative opposition at Ottawa is of course intended for the constituencies rather than for parliament. It is drafted with extraordinary dexterity, so as neither to mention nor to hint at protection, except in the case of certain agricultural industries; so that Conservative orators in Saskatchewan will be able to talk as if nothing was further from the minds of their party leaders than the making of any increases in the tariff except on butter from Australia and eggs from China, while in Ontario the same speakers or their colleagues will naturally take it for granted that "providing increased employment in Canada" means putting up the tariff on everything that Canadians import.

That, Mr. Speaker, expresses in a few words my opinion of the Conservative amendment. And I submit this to the judgment of the house, that every speech we have listened to from hon. gentlemen opposite, in spite of the omission of the word "protection" from the amendment, has been the old, old plea of higher and higher protection—the one remedy which my hon. friends put forward for every disease, or every imagined disease, of the body politic. If unemployment is the disease, my hon. friends have taken hours to tell us that higher protection would cure it. If our immigration is not sufficient, my hon. friends say higher protection will build up the country.

Mr. CANTLEY: So it will.

Mr. DUNNING: I am glad my hon. friend agrees, but I regret he did not put it in his amendment. Perhaps, while he is interrupting, he might explain whether his proposal to put a duty of $1.50 a ton on coal has the support of the Conservative party.

Mr. CANTLEY: I hope so.

Mr. DUNNING: If people are leaving Canada in too great numbers, my hon. friends say: Raise the tariff higher and keep them here. In fact every ill from which this country suffers, or is said to suffer as stated by my hon. friends opposite, is, they say, curable by the application of higher tariff taxation. While my hon. friends in this house are speaking in that fashion, their very amendment is being quoted back in the province of Saskatchewan as evidence that the Conservative party has at last abandoned the principle of higher protection as the cure for all our ills.

Mr. CHAPLIN: I suppose—

Mr. SPEAKER: Order.

Mr. DUNNING: My hon. friend will have his opportunity. I have only forty minutes in which to give him his medicine. I sat and listened to my hon. friend from Fort William (Mr. Manion) with the utmost cheerfulness.

Mr. MANION: And, incidentally, interrupted several times.

Mr. SPEAKER: Order.

Mr. DUNNING: If the people of western Canada ever require to be convinced that the present government is a low tariff government, surely the speeches that have been delivered in this debate from across the way carry conviction along that line. If we are not a low tariff government, why in the world are we taking the abuse from across the way for ruining every industry in the country by lowering the tariff; or, in the alternative, allowing them to be ruined because we refuse to raise the tariff sky high in order to keep them going? A low tariff government indeed! We have heard speech after speech from across the way which can only be described as excellent immigration propaganda for the United States. That country is painted by hon. members opposite in such glowing colours, and Canada in such dismal colours, that the effect is actually to encourage our people to go there.

Now, Mr. Speaker, I am not in the business of boosting immigration to the United States, so I have been making a little examination of the newspapers of that country and culling a few extracts from them in order to demonstrate what are the real conditions there comparative to the conditions in this country, which, according to my hon. friends, is so miserable a place to be in. I find that a committee of the United States senate reported only the other day that conditions in the Pennsylvania coal belt are a "blot upon American civilization." The report states:

> The committee found men, women and children living in hovels which are more unsanitary than modern swine pens. They are breeding places for sickness and crime.

And this, Sir, in the heart of the country which my hon. friends opposite depict as so alluring to our Canadian population, taking them away in their thousands to live under conditions of that sort!

The New York Charity Organization Society recently made an announcement in the press that it is receiving more calls for help from the unemployed than at any time since the war, and that it has found it necessary to borrow a substantial sum to enable it to meet its obligations.

The New York State Labour Department reports a net decrease during 1927 of 66,000 factory wage earners in the state, and in December its employment index number dropped almost a full point below the level of December, 1921.

The United States federal Department of Labour reports factory employment throughout the whole of the United States as about 5 per cent less last autumn than during the same months of 1926.

A comparison of the percentages of employment as between these two countries certainly does not bear out the contention of my hon. friends that the United States is a good place to go to, and that Canada is such a poor place to stay in. I should like to put on record the percentages of employment figures given by the departments of Labour of both countries from 1921 on, which will illustrate the growth of employment in Canada and the decrease of employment in the United States:

	Canada	United States
1921..	81.1	85.1
1922..	81.6	88.4
1923..	89.3	100.
1924..	85.3	90.3
1925..	86.	91.2
1926..	92.1	91.9
1927..	95.6	88.5

Mr. MANION: Most of our unemployed have gone across the line.

Mr. DUNNING: Again, the Bureau of Labour statistics of Illinois reports a decline of 8 per cent in industrial employment in that state during the year, with the total

number of wage earners at the lowest point since 1921. In reply to my hon. friend's interjection, there would not be so many Canadians going across to the United States if he and his colleagues did not depict it as such an alluring country to go to.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. DUNNING: I am glad my hon. friends appreciate it. A recent Associated Press despatch from Chicago, which appeared in all Canadian newspapers, stated that bread lines were forming in that city such as had not been seen since 1913. Will anyone who knows the condition of United States agriculture argue for one moment that the state of that industry in the country to the south of us is more prosperous than the state of Canadian agriculture? No observer will argue for a moment that the United States farmer is in a better economic position to-day than the Canadian farmer, although many of us are dissatisfied, and properly so, with the present economic condition of Canadian agriculture. Nevertheless, looking across the line we must come to the conclusion that the only thing which keeps thousands and tens of thousands of American farmers from coming to our Canadian west is the load of debt which they have around their necks and which precludes the possibility of their getting a reasonably good start in a new country.

The last United States quotation I want to use is the statement recently made by the Roger Babson statistical organization, one of the most important statistical organizations of the United States, that Canada presents the most favourable opportunities for business and industry during the year 1928. While speeches from directly opposite represent high protection as the great cureall, the subamendment moved by the four parties in the corner, and the speeches of the members supporting it, express dissatisfaction that the tariff reductions were not greater, and also criticize the reduction in the income tax. Apparently the only agreement between the parties in the far corner and the Conservative party is with regard to the sales tax; both of them, having noticed the policy of the Minister of Finance in that respect, desire to anticipate him and take credit in the future for what is the declared and actual policy of the government.

I should like to deal at some length with the criticism offered by my hon. friend from St. Lawrence-St. George respecting the sales tax, and his repetition of the same old misrepresentation that this government has doubled it. As a matter of fact, my hon. friend does know, I think, that under the sales tax as it existed at the time the Conservative government was in power pyramiding of the tax was not only possible but actually did take place. To quote the rate of the surtax as it was then as against the rate now in force is not telling the whole story. My hon. friend from St. Lawrence-St. George lectured the Minister of Finance on not revealing the whole of the truth; yet, in almost the next sentence, he fell into the same error himself. Notable instances will occur to the mind of every hon. member who has studied the matter; illustrations of pyramiding were given to the house at the time, showing for instance that before reaching the consumer, in the case of woollen clothing, the sales tax could be and actually was pyramided to 15 per cent, while in the case of boots and shoes it reached 12¾ per cent, and on many other commodities an amount three or four times the rate indicated. The reform introduced by this government was the application of the tax once; there was no pyramiding. The people, therefore, knew what they would have to pay. In this regard my hon. friend does not treat us with his accustomed fairness.

Reference has been made to the Dominion-provincial conference, and that brings me to the subject of the income tax. Many comparisons have been made by speakers in various quarters of the house between this country and Great Britain in the matter of direct taxation. It has been stated that Great Britain derives a large proportion of its revenue from inheritance and income taxes and that the policy of this government is bad in that respect by reason of a slight reduction in the income tax. Might I ask critics on this point to be fair enough to remember that in Great Britain there is one self-contained government for the whole country, levying taxation in all its forms, so far as governmental taxes are concerned, whereas in Canada we have a federal system of government with two classes of taxing bodies but actually ten taxing bodies in all. My hon. friends know also that in this country succession duties are levied by the provincial governments; it is within the power of the provinces to levy succession duties and they do derive a considerable amount of revenue from that source. Indeed, it is implied in the British North America Act that the provinces shall use the method of direct taxation for the raising of revenues for provincial purposes.

Mr. LAPOINTE: They cannot use any other method.

Mr. DUNNING: No. The specific form of revenue allocated to the Dominion is indirect taxation, the federal government not being excluded from the application of the other method.

Mr. BENNETT: Or any other form.

Mr. DUNNING: Yes. But that very fact introduces a very complicated situation with regard to taxation in this country as compared with any country in which there is the single form of government instead of the federal. At the last Dominion-provincial conference it became quite apparent that there was not one province which did not object to what was called the invasion by the Dominion of fields of taxation properly provincial. This was the subject of a lengthy discussion, and every province took the ground that so far as possible the Dominion government should work in a direction which would leave the provinces free to secure their revenues, for provincial and local purposes, by the method to which they are limited by the terms of the British North America Act. I for one would not advocate, and I do not advocate, that the Dominion should surrender or leave the field of income taxation as relating to corporations. That is indeed our greatest source of revenue under the income tax; $32,000,000 out of $48,000,000 comes from corporations. In the nature of things the Dominion is, in my judgment, the proper body to tax the income of corporations, inasmuch as corporations secure their income from all parts of the country. Moreover, it would be difficult indeed successfully and equitably to apply provincial taxation of corporations. On the other hand, there is much to be said for the contention made by some of the provinces that, so far as income taxation of individuals is concerned, the provinces should have the full field. I am not in a position to propound a definite policy in this respect, but I do say that it is worthy of consideration by the members of this house. We have a responsibility in relation to the federal system of government which obtains in this country; we have a measure of responsibility to the provinces. On the other hand, we must retain adequate sources of taxation in order to enable us to meet the interest on our war debt and to carry on the business of the Dominion as a whole. In this matter I think it would be useful to the Minister of Finance if, on an occasion like this, the members of the house, regardless of party, would turn their attention to the question of the relationship between fields of taxation by the Dominion, on the one hand, and by the provinces on the other.

As to the criticism which has been uttered with respect to the intimation by the Minister of Finance that in future it was proposed to ask that all goods coming in, taking advantage of the British preference, should have a 50 per cent British or empire content, I desire to say just this: the Minister of Finance gave that intimation in no sense intending thereby to limit the British preference in the slightest degree. We do know, however, indeed many members of the house are aware, that people on the continent of Europe are at the present time, by means fraudulent or semi-fraudulent, using the British preference in order to get their goods into this country. Some hon. gentleman in the far corner—I forget who it was—instanced the possibility that the raising of the limit to 50 per cent might have the effect of debarring British goods. I can assure my hon. friend on the authority of the Minister of Finance that there is no intention to permit it to be used for any such purpose, and if as a result of experience it is found necessary to provide a different percentage of content for different classes of goods, as other British dominions have done, it is quite within the competency of the government to work out the solution along those lines.

Just before I conclude I would like to say a few words with reference to group government, which was advocated so forcibly, so wittily and so cleverly yesterday by my hon. friend from Southeast Grey (Miss Macphail). I will not attempt to follow her in any sense; We always enjoy her witticisms even at our own expense, but with respect to this advocacy of group government I do believe it is time the people of Canada realized and faced what group government means and what it would mean to this country. We were told by my hon. friend that it is a Progressive measure but, Mr. Speaker, I regard it as one of the most reactionary moves it would be possible to make. Is this a new thing? Why, Mr. Speaker, Europe is trying now to overcome the effects of group government in many countries. The development of this so-called group system has gone so far in Italy as to produce a chaos sufficient to make the people even welcome a dictator, and it produced the same result in Spain. I know my hon. friend will say she does not mean that kind of group; she means an economic group, but she did not explain how she would prevent people from organizing under any group, name or designation. If we have a Labour group, a Progressive group or a Farmer group, why not a Catholic group, a Methodist group and a Presbyterian group? That system has been the curse of Europe.

Certainly the party system has demerits, but an impartial examination of the history of those countries which have tried this group system reveals the weakness of the very position adopted by my hon. friend. What does she say? She says what they want is a little group in that corner of the house just large enough to bludgeon the larger group across the floor into carrying out their wishes, and in so saying she poses as an advocate of democracy! I say, Mr. Speaker, that group government is the negation of democracy. Then I know my hon. friend will say that she means cooperative government. That is a very good phrase, but we have an example of cooperative government in this house to-day, and the men who are cooperating receive nothing but abuse from hon. members in the far corner. There are some men in this house who, while holding strong views with respect to fiscal policy and other matters of principle, believe they can best accomplish their duty to this country by cooperating with others who are substantially like-minded, to move the wheel of progress forward even a little. They do not sit up on the fence and howl like my hon. friends in the opposite corner.

In conclusion—and I say this with the utmost good humour—I would not deny my hon. friends the right to organize in any way they see fit, but I would point out that once the virus of the group system starts to spread in this country it will be found to be a great breeder; it reproduces very rapidly. The experience of years in Europe indicates that once there is a division beyond two or three parties in a great parliament it soon spreads until government is only possible by a species of log-rolling and dealing which I feel sure would be repugnant to the Canadian people and would not redound to the credit of the country.

Some hon. MEMBERS: Oh, oh.

Mr. CHAPLIN: We have experienced an example of it.

Mr. DUNNING: My hon. friends opposite laugh at very little; they forget the spectacle which they presented on this side of the house such a short time ago. Surely that should make my friends reasonably humble and reasonably courteous to those of us who only hand back a very little of what we have received from across the way. We are very patient.

I know you have been very generous with me with regard to my time limit, Mr. Speaker, presumably because of the interruptions I have received, but in conclusion I would say that in my judgment the country is satisfied with the policy enunciated for this year by the Minister of Finance and with the continuance of his past policy of reducing taxation and at the same time reducing the dead weight of debt which lies so heavily on the country.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker,—

Some hon. MEMBERS: Oh, oh.

Mr. HOCKEN: The hon. gentlemen opposite flatter me. I have very little to say.

Some hon. MEMBERS: Oh, oh.

Mr. HOCKEN: I highly appreciate this compliment; but before commencing what I have to say on the budget I should like to depart from my usual practice in one regard. As a rule I do not scatter compliments over the house, because I assume that those who speak so well are satisfied with their performance and are not anxious to receive any flattery. I should like, however, to compliment very highly the hon. member for Southeast Grey (Miss Macphail) on her speech yesterday. I have listened to many speeches in this house in the course of which the Progressives have attempted to justify their existence, but I have never heard it elucidated so clearly as was the case yesterday. I could not help thinking, Sir, that if the Progressive group which entered this house in 1921 had possessed the sincerity and courage displayed yesterday by the hon. member, they might have been a formidable influence in the affairs of Canada. But the hon. member was frank enough to tell us that the group were so strongly divided in their political allegiance as between the two great parties that dissension was the predominant feature of their councils for several years in this house. Whether or not we agree with the hon. member she has at least given us cause to think and has perhaps helped us understand why she is in the house, whether or not anyone else holding similar views follows her. I appreciate the evident sincerity and earnestness of the hon. member, even though I may differ very sharply with some of her views.

Now I want to discuss for a few moments, the subject of immigration. I am glad the minister is in the house because I do not want to say anything that will add to his perplexities. I have a great deal of sympathy for the difficulties which confront him, and what I shall say will be said in kindness and in an admonitory way, with the idea of endeavouring to advise him somewhat as to certain changes that should be made. First

of all I wish to direct the attention of the minister to an incident which occurred during yesterday's debate. In four or five different places Hansard reports the minister as stating that the act forbids him to give a permit in such a case as that of Mrs. McConachie and her baby. I want to read, sir, section 4 of the Immigration Act and regulations, not for the purpose of criticizing the minister but in the hope of informing him as to just what powers he possesses. The clause in question reads as follows:

> The minister may issue a written permit authorizing any person to enter Canada, or having entered or landed in Canada to remain therein without being subject to the provisions of this act.
>
> Such permit shall be in the form A of the schedule to this act, and shall be expressed to be in force for a specified period only, but it may at any time be extended or cancelled by the minister in writing; and such extension or cancellation shall be in the form B of the schedule to this act.

These schedules are set out in the final pages of the act. Perhaps the minister has overlooked the powers given to him by the act, because if that act means what it says he certainly has the power to issue a permit for the admission of Mrs. McConachie and her child.

Mr. KING (Kootenay): For a specified period.

Mr. MANION: The minister said yesterday he could not do it at all.

Mr. HOCKEN: According to Hansard the minister said yesterday:

> Mr. Forke: The act forbids me to admit that girl.
>
> Mr. Cahan: But it gives the power to issue a special permit.
>
> Mr. Forke: No, it does not.

Having set the minister right in that regard, I hope he will do what I am sure his humanity prompts him to do, issue a permit to Mrs. McConachie and her baby.

I wish to talk for a few minutes, Mr. Speaker, about child immigration. I have spoken to a good many agriculturists on this question and there is general agreement among them that the very best type of immigrants that can be brought into this country are the young men and women who are more likely to go on the farms and more easily adjust themselves to the conditions in Canada than older people are. There is a difficulty in inducing adults with families to emigrate because of the disinclination of men settled in England to remove from a locality where they are firmly planted and come to Canada with young children. Such people suffer from homesickness and loneliness in their new environment, which makes it difficult for them to become absorbed in the country until after the expiration of a long period of time. They are never quite satisfied that they are going to stay in the country until they have been here three or four years. That is not the case with young people or children who come out here as immigrants. In the case of children they go to a Canadian school, are brought up as Canadian children are, and are taken into homes and taught occupations enabling them to take their places in the social and industrial life of the country. If they come out at a later age, say at the age of sixteen, eighteen or twenty, they are very easily provided for on farms. If they begin the occupation of agriculture at the adolescent period they are more likely to continue in it than any other class of people that come here. This fact is fully recognized in an order in council that was passed in 1920. I find it set out very fully in that order in council that because this class of immigrants was so desirable, the grant paid to receiving and distributing homes taking juvenile immigrants should be raised to $1,000 for every one hundred children brought out, or $10 instead of $2 per capita, and for every additional one hundred the grant was $5 per capita. The Immigration department of 1920 was fully seized, therefore, of the value of children as immigrants to this country, otherwise it would not have increased the amount paid for their care and maintenance. That is an entirely different policy to the one which prevails in the Immigration department to-day. I want to refer particularly to the recent instruction issued with respect to this class of immigrants—I do not think it is a regulation of the department or that it is any part of the act. I have searched in vain to find anything in the act or in orders in council prohibiting children under the age of fourteen years from coming to this country. So far as I can learn—I will allow the minister to correct me if I am wrong—the instruction in question was issued by the deputy minister of the department.

Mr. FORKE: No, it is an instruction from the minister.

Mr. HOCKEN: It is an instruction from the minister?

Mr. FORKE: Yes.

Mr. HOCKEN: It is not a regulation?

Mr. FORKE: It is a regulation.

Mr. HOCKEN: It is a regulation? I have not been able to find it. If it is a regulation I think it should be repealed with the least

possible delay. It strikes particularly at two or three agencies that have been bringing out children to this country for fifty or sixty years, and whose record is so good that it cannot be impugned even by those who have a settled determination to do so. I speak particularly of the Barnardo Homes, an institution which has been in existence for sixty years. That institution has brought to this country about 100,000 children. It has a record of every child brought out from the day the institution started until the present time, and the minister or any person else may go to the filing department at their headquarters, which is one-third the size of this chamber, and turn that record up for himself. That indicates a care and assistance on the part of these homes which I think is worthy of all praise. This institution has brought out thousands of boys and girls, has educated them, has taken care of them until they reached the age of 21 years; and many of them to-day occupy positions in high walks of life. A not inconsiderable number of the girls have married into splendid homes and are taking their part in the life of this country as well as those of native birth. From all I can gather, the attack upon the Barnardo Homes has been started by Charlotte Whitton, at whose instigation I do not propose to say. If I am not mistaken she is paid by the government of Canada as secretary of the child welfare council. Here is an employee of the department who goes to Toronto and tries to dig up such information as will warrant the prohibition of these children from coming to Canada. She reports to the child welfare council that a large number of children who claim to have been the wards of the Barnardo Homes have been in hospital, that some of them are unmarried, some immoral, and some feeble-minded. This statement is broadcast throughout Canada as a result of the actions of a paid official of this country. No more serious or slanderous statements could be made than have been made against this home, and by some form of manipulation that I do not understand it was possible to get a professor of the university of Toronto to support this attack upon the Barnardo Homes, an attack which was unfair and for which, when the matter was brought to the attention of the professor, he felt bound to apologize. I should like to read to the house the apology that Professor MacPhee sent to the Barnardo Homes for the injustice he had done them and the injury he had attempted to do to their institution. This is a long document, but the gist of it occurs in the last two paragraphs which I will read in order to put them on the record. Professor MacPhee, after his attention had been drawn to the inaccuracies and to the injustice that he had done to this institution and an apology was demanded, wrote this:

That which makes me regret the publicity I have caused in this matter is that all but three of the cases came to Canada before Mr. and Mrs. Hobday were appointed as Canadian manager and lady superintendent, and before Professor Carless offered his distinguished services as medical director to the organization.

And I particularly desire that the house, or such of the house as is present, will take note of this:

I am assured from conversation with these authorities that changes have been made in the method of study and selection of cases which will provide as effective guarantees as are humanly possible that Canada will get only physically and mentally fit boys and girls from this source. Coming as my statement did after these safeguards have been set up, and referring as I did to cases which were brought out before their regime, my action was both ungracious and discourteous.

Yet it is upon the statements of the man who makes this humble apology that the Department of Immigraton has acted in preventing the entry to this country of children under fourteen years of age. I submit that apology in itself is as complete a vindication of the work of the Barnardo Homes as anything could be. I should like, however, to add to that the statement of Sir Robert Falconer, President of Toronto university, the president under whom Professor MacPhee is working. Sir Robert Falconer wrote this to Mr. Hobday:

I have to thank you for your letter and the advanced copy of the advertisement which appeared this morning in the press containing an apology from Professor MacPhee in regard to sweeping statements that he made as to the results of the work of Doctor Barnardo's homes. I greatly regret that a member of our staff should have given currency, without such accurate investigation as one would expect from a professor in a scientific field, to statements which have brought criticism of the good work of Doctor Barnardo's homes. I hope, however, that his honourable and perfectly frank apology will in some way counteract the harm that has been done.

There is only one way in which the harm that has been done can be counteracted, and that is for the Minister of Immigration and his department to repeal this regulation, or instruction, or whatever it may be called, against the entry to this counry of children selected in the old country by the Barnardo Homes organization. It is, I think, reasonably clear that the action of the department rested upon statements made by Miss Charlotte Whitton and Professor MacPhee, and if I am not mistaken she felt herself backed up by what this eminent professor had published; so that the whole thing rests upon

statements made by Professor MacPhee, for which he apologizes publicly and in connection with which the president of his university hopes the apology will be sufficient to counteract the harm. There has been no satisfactory reply to all this attack from the secretary of the child welfare council; she has evaded the letters that have been written to her, and she has refused to be as courteous as Professor MacPhee and make the same kind of apology. But if the Department of Immigration listens to the advice of representatives of voluntary organizations—because this is a voluntary organization with a paid secretary, paid by the government of Canada—and neglects to take the proper steps to inform itself as to the actual conditions that exist, it must be said that the department is acting in a very inefficient manner.

There is no better class of immigrants to bring to this country than the children, and no organization that could be created could be more careful in its selection, more serious in its supervision, or hope to have better results than those which have been obtained by Dr. Barnardo's homes. For the department to step in and by regulation or instruction to stop the work into which millions of pounds have been put in the old country and into which hundreds of thousands of dollars are going every year in the interest of both the empire and the children themselves, is not in line with the expressed desire to populate the country with those who are likely to become good citizens. I have had a good deal of experience in my position in the city of Toronto with the wards of this home; I have had them, both boys and girls, in my employ, and I can testify in this house that they are at least equal to and in many cases above the average of children born of Canadian parents in Canada. When the home has such a record as that, why the department should attempt to stop this flow of children who will within the next few years be wage earners and productive citizens of Canada, is beyond my comprehension. If the Minister of Immigration will go over his own experience, if he will recall those who have come out through that agency—and he must have known many of them—and will consider what they have done in the way of good citizenship, I think he will agree with me that that particular instruction should be repealed and that that steady flow of prospective good Canadian citizens should be allowed to be resumed.

I have one other criticism, and that is with regard to the treatment that has been meted out to the Salvation Army by the department. No other agency operating for the settlement of newcomers to Canada has been so efficient and successful as the Salvation Army. They do their work in a very scientific way. They do not pick any boy off the street and send him out, but they first give him a course of training. They maintain in the old country homes where these boys or young men can go for a stated period and learn all the elementary procedure of operating farms. That costs them a great deal of money, and I presume they get some grants on that account from the British government. But I say that the army, having given such splendid results as it has, is entitled to all the assistance and support that this federal government can see its way clear to give.

The excuse that was given for withdrawing the grant to the Salvation Army is to my mind quite inadequate. Let us suppose that the army does require that those it brings out shall contribute something by way of repayment for some of the training given them. That does not affect the value of their work to Canada. It simply gives to them additional resources with which to bring a larger number to this country. The young people that they bring out here know the conditions under which they are coming; they have no complaint; indeed they have no ground for complaint, because this thing is not done under cover. Everybody concerned is dealt with frankly, and if the army can do that kind of work for Canada I submit that no $25,000 the government can spend will produce such splendid results. It will produce much better results than the $50,000 that is proposed to be given to the different provinces for repatriation. You are going to spend $50,000 in the province of Ontario to try to repatriate those who have gone away. I venture to say that that $50,000 will be pretty well thrown away for all the good that will result from its expenditure. If the young men who have left Ontario for the United States want to come back, they will come back. They cannot be coaxed back except by the assurance of employment and by some evidence that will show them that conditions here are going to be better than when they left. If they are engaged in steady employment at good wages in the United States it will take a good deal of persuasion to induce them to come back to Canada—the land where they were born, it is true, but the land where they could not get a living and which they had to leave and go across the border. To my mind there is no justification whatever for withdrawing that grant.

I just want to point out in conclusion, Mr. Speaker—and I have not consumed anything like my forty minutes—that those two organizations are one hundred per cent British, and if there is any immigration agency that ought to be encouraged I submit that it is the British immigration agency. Instead of running all over Europe to get men to come out here and settle on the scrub lands of the west, it would be better for this country to bring out that surplus young population who can fit into the life of Canada and in a very short time, almost at once, find themselves adjusted to the conditions under which we live here. But why these two one hundred per cent British agencies should be penalized on such flimsy excuses, and on falsehoods, I am not able to comprehend. I say to the minister, having due regard for all his difficulties and sympathizing with the perplexities of the position in which he finds himself—and I know they are very great—that he should take these two organizations into his careful consideration. He ought to make some endeavour to find out what proportion of the immigrants they have brought out have made good; he could get reports from the army and from private homes. If he will look at this thing in a sympathetic way I am satisfied that the future will produce more Canadian citizens of that age than it will produce of adults that we are trying to bring out under the three thousand family scheme. I am not going to criticize the three thousand family scheme because I think it ought to be a splendid thing, and I congratulate the minister upon its adoption; but if we want to be sure that those we bring out will stay, we have to get them young, and the younger the better, in my opinion, so long as they are not infants. When they come here, bring them under the sympathetic care of earnest Christian men and women who will teach them at school and in church, and give them moral training. That is the class of people that we ought to try to bring to Canada. I venture to say that hundreds of thousands, if not millions, of that class living in the British Isles are available to come here if the proper measures are taken to bring them out. But, above all, see to it that those who are striving to accomplish this end shall not be strangled by departmental regulations.

Mr. H. E. SPENCER (Battle River): In rising to take part in this debate I wish first of all to congratulate the Minister of Finance (Mr. Robb), on the fact that he has been able to balance the budget this year and, according to his figures, show a credit of $54,815,000. I congratulate him upon this surplus as I would congratulate the farmer who has been fortunate enough to have a good crop. It may be possible that it is through his good cultivation, but probably it is because of the fact that the rain and the sunshine came at the proper times and the crop grew. I think that irrespective of what Finance minister and what government had been in power under present business conditions we should have had a surplus, and therefore I think the Finance minister is fortunate in being in power at a time when business is good.

As we have a surplus of over $54,000,000, I should think the Minister of Finance might give some thought to being a little more generous towards those provinces, whether in the east or in the west, which are having difficulty in meeting their budgets, and which, if they pass legislation for old age pensions will be forced under the legislation we passed here last year to dip into their own treasuries, whether they can afford it or not if they are going to take advantage of that act. I have always claimed that the old age pension scheme should be a wholly federal one, instead of half federal and half provincial. With this surplus of over $54,000,000, I think the Minister of Finance might have looked with a kindly eye upon giving the provinces more help in this respect.

Much has been said about prosperity, and those supporting the government who have spoken have laid a great deal of stress upon the country's condition. I would ask the government what they regard as real prosperity? Is it the fact that we have a large export market? Is it the fact that we have a few more hundreds of men who are in a position by reason of their large incomes to pay income tax? Is it the fact that we have more bank loans? Or is it the fact that the rank and file of the people of this country are socially and financially better off? I had placed in my hands yesterday a pamphlet published by the Canadian Council of Child Welfare. On looking through it I was surprised to find the following statements, headed, "Present Day Facts for Thinking Canadians:"

"Of 232,205 children born in Canada last year, 7,091 were still born; 23,671 died before their first birthday; 30,973 died before their fifth birthday; 1,314 mothers died in childbirth. Yet the greater number of these deaths was preventable."

The front page of the pamphlet has this announcement:

Last year Canada lost 38,064 children under five years of age.

Now, Mr. Speaker, it seems to me that if that condition of things exists we cannot say that the country is prosperous. If this pamphlet is false, it should be suppressed;

if it is true, then I think action should be taken at once by the proper department of government to remedy this deplorable state of affairs

During the course of the debate a good deal has been said about taxation, and the Minister of Finance claims that taxation has been reduced during the Liberal administration. Looking at figures compiled by the Bureau of Statistics, I find that although in some years there has been a reduction, yet on the whole there has been a gradual increase in taxation. Let me give the figures for 1922 and 1927:

	1922	1927
Customs and excise duties collected..	$158,397,292	$210,600,000

Taking the total taxation collected, including special war taxes, we find that in 1922 the figure was $409,784,066, while five years later it amounted to $470,997,041. These figures would seem to contradict the claim made on behalf of the government that taxation has been reduced.

I submit, Mr. Speaker, that if taxation is to be reduced—as it well might be with the surpluses at the disposal of the Minister of Finance—the only fair procedure would be first of all to reduce those taxes which will bring about a lower cost of living—tariff taxes; secondly, the reduction of the sales tax should be considered; and last, the income tax. Unfortunately the Minister of Finance has decided to grant relief in respect to the income tax first. In my view he should begin by reducing those taxes that would relieve the rank and file of the people, and so make it easier for the family man to carry on. The following figures in regard to income tax will, I think, be of interest to the house:

Individual Income Taxpayers, Fiscal Year 1926-27

Amount of income	Number of taxpayers	Percentage of all taxpayers	Amount of tax paid	Percentage of all taxes paid	Average tax paid by each individual
Under $6,000..	97,171	83.75	2,306,965	12.79	23.74
$6,000 to $30,000..	17,992	15.51	8,078,362	44.77	44.90
$30,000 to $50,000..	574	.49	3,073,375	17.03	5,354.31
$50,000 and over..	294	.25	4,718,891	26.15	16,050.65
	116,029	100.00	18,043,261	100.00	

I take it to be the business of a government to legislate in the best interests of the rank and file of the people rather than for a special few. We all need three specific things: food, clothing, and shelter. Until all our people have those three essentials with a reasonable standard of living, only the minimum of taxation should be imposed. The Minister of Finance has seen fit to grant the greatest relief to the 116,029 citizens of this country who are in the enjoyment of incomes ranging from $3,000 to $50,000 and over, and surely they have enough and to spare to provide the necessaries of life.

With reference to the balance sheet placed before us by the Minister of Finance, I observe that there is an increase in the revenue of the Post Office department amounting to $1,930,831. I congratulate the Postmaster General (Mr. Veniot) on this excellent showing, and I sincerely hope that he will now give more consideration to the providing of postal services in the outlying districts of the Dominion. Another item of interest has to do with the Canada Grain Act. Under this head the estimated revenue is given at $2,600,000, an increase of $17,016. It has been intimated more than once by hon. members who do not happen to live in western Canada, and know nothing of the grain trade, that the cost of administrating the grain act is met from the coffers of the federal government, and that therefore all Canada helps to pay this cost, which is incurred for the benefit of the grain growers of the western provinces. Let me reassure any hon. gentleman who still labours under this delusion that any such suggestion is not at all in accordance with the facts; the cost of administrating the grain act is borne entirely by the grain growers of Canada.

With regard to expenditures, Mr. Speaker, I notice that the largest item is for the interest on the public debt, $128,700,000. The second largest item is the annual cost of past wars, not including interest, which amounts to $47,500,000. It is therefore on these two items that we should fix our best attention, and should try to find ways and means of reducing them. We must realize that merely because peace is signed the effects of war are not over. We are having to raise nearly half a million a day to meet the huge cost of past wars, and I want to remind the government and the Minister of Finance that the increase of $6,000,000 in the estimates in connection with military defence this year will not in any way protect Canada from war nor keep her out of it for one single day.

Another item which is of interest is included under maritime freight rates, the estimated amount required being $3,843,000. The amount estimated by the Minister of Railways a year ago was about $2,000,000. It has grown, as we in this corner of the house feared it would. I will not comment on this amount given to the maritime provinces, which is in the nature of an extra subsidy, but I think that every province in the Dominion, whether old or new, which is struggling to make both ends meet, with a thin population and with huge expenditures brought about very often through no fault of their own, should be given similar consideration.

There is another item, assets written off as non-active, including soldier land settlement loans amounting to $14,000,000 and the revaluation of soldier lands involving an amount to be written off of $8,000,000. On the resale of stock and equipment on the farms which have reverted to the board—these farms have been sold, according to the Minister of Finance, although some 3,000 properties remain to be disposed of—the expected loss is some $6,000,000. Besides this we have to remember that in 1922 we wrote off some $11,000,000 interest in connection with this same undertaking. It is about time we realized that there has been something wrong either in the initiation of this vast scheme or in the carrying out of it. I am not going to criticize any of these rebates so far as relief to returned soldiers is concerned, but I do want to say a word with respect to the launching of the scheme. Governments that claim to be all powerful should have known, when the scheme was launched, that deflation would ensue in 1920 and 1921, which deflation has been really the cause of many losses sustained by the country under this scheme. Governments have access to all the expert advice they desire, and they should have known, if they did not, that the deflation would take place. If they did know this, then the scheme should not have been launched, particularly as we are sinking a hundred million dollars into it. If they did not know, then they have to admit that governments only play second fiddle to finance, because finance certainly brought about the deflation in 1920 and 1921.

Much is said in the budget regarding our favourable trade balance. What does it mean? From this corner various speeches have been made, pointing out that a country might have a very large trade balance in its favour and yet exist under a very low standard of living. In quoting the extent of our exports and imports—and there is a large margin in exports—we have to remember that out of Canadian investments abroad we bring into Canada only about $63,000,000, while foreign investments in Canada have a call on this country of about $254,000,000. The balance has to be made up in goods sent out of the Dominion, and therefore when we simply put exports against imports in actual goods it is no proof that this country is in a particularly healthy state. Allow me to quote from the Minister of Finance, where he says:

> But it is also apparent that our ability to produce still exceeds our capacity to consume by a broad margin, and that our exporters annually market over a billion dollars of goods in other lands.

I wish the minister had gone a little further and pointed out how, under the rapid development of science and invention, more goods are being turned out per day, per week, per month and per year than were manufactured in the past, and with less man power. In other words we are rapidly lifting the work from men's shoulders and having it done by machines. I would the minister had pointed out that every industrial country is up against this same problem. It has been shown by well known economists that, inasmuch as the money paid in cost cannot possibly buy back the goods at cost plus profit, constituting price, every country has a problem on its hands.

When in England last summer I visited, amongst many factories and foundries, one establishment at Sheffield where I learned what tremendous changes are taking place in industry. This was a steel concern which had built in 1919 a very up to date plant, where in one shop alone they could turn out eight hundred tons of steel a day. They easily got orders because they could produce cheaply. Two other large firms at once built similar factories and Germany soon followed suit, with the result that last summer when I visited the plants they were lying idle several days of the week because there was no demand for the quantity of steel that was being turned out. Anyone who visits industrial establishments in the old country, in the United States or in Canada will find that in these various factories there are the most complicated machines doing the work required with very few men in attendance. One can visualize only a few years hence factories being run with the aid of exceedingly few overseers. In my opinion this is one of our greatest problems, and in future budgets I hope this will be placed before the house by the minister.

We know that the economic struggle now going on between the different countries to

find markets for their goods is simply an economic war, and in this connection I would quote a few words from a letter written from one of the colleges of Oxford, England, which I noticed in the Ottawa Citizen this morning:

> The underlying causes of war, it is generally agreed, are economic, the actual political state of war following commercial antagonisms. The last war is a notable illustration. Germany had to find an outlet for the bursting industrial activity of her people. These economic conditions pre-existing, the war mentality was soon created and its logical outcome ensued.
>
> Do not present world conditions contain, in embyro at least, even more potent seeds of conflict? And are not these underlying causes of war to be found at the very root of our industrial structure?

We must know that the economic war being carried on by every country to find markets in other countries is leading in only one direction, and I am sorry that this condition is not faced openly in this House of Commons.

The Minister of Finance stated that Canadians were returning from the United States, but his statement did not seem to be accepted by a number of hon. members opposite him. I would like to make a suggestion which I believe would help keep some of our people in Canada: I think we should give Canadians from far eastern and central provinces the same opportunity to look over the western part of Canada, so far as railway fares are concerned, that we now give to people coming from other countries. It is quite natural that a man who has not a large surplus of pocket money, and who is not content with his present conditions, should pay a small fee to get into the United States when he cannot afford the somewhat heavy fare to western Canada, and I believe if assistance were given these men we would retain a great many of them in this country.

A few days ago the Minister of Finance stated that there were $220,835,000 of Dominion notes outstanding as of December 31, 1927, while bank notes in circulation at the same date amounted to $182,747,000, intimating that we have a surplus of Dominion notes in circulation. I questioned that statement at the time and said:

> Did not the greater part of that $220,000,000 comprise notes of large denominations used by the banks alone?

To this question the minister replied:

> It meets the requirements of the country and the government receives a revenue for it.

Not being content with that answer, I placed some questions on the order paper which gave very valuable information; the figures show the following:

Total Dominion notes, Dec. 31, 1927	$220,808,365
Total Dominion notes Dec. 31, 1927, in circulation comprising—25c., $1, $2, $4, $5, $50, $500, $1,000	34,369,943
Balance being "legals" ($5,000 and $50,000) used between banks only	$186,438,422
Bank notes in circulation Dec. 31, 1927 (as stated by the Finance Minister Feb. 13, 1928)	182,747,000
Amount of Dominion notes in circulation, as above	34,369,943
Balance being amount of private bank notes over Dominion Government notes in circulation	$148,377,057

Why should not the Dominion of Canada exercise its right to put more notes in circulation than are used by the private banks? Why give over a special privilege, which can save a good deal of money to the taxpayers of this country, to private interests? I would like to point out that a Dominion note and a Dominion bond are based on exactly the same assets; they each carry a government guarantee, the only difference being that one bears interest while the other does not. The more Dominion notes we can safely put into circulation instead of bonds, the more money is going to be saved to the taxpayers of this country.

Let me here advance another suggestion which I have made before and which in former years the minister has been kind enough to promise to consider. I hope this year he will go even further than that. My suggestion is that he should offer a little higher interest on the savings in the post office savings bank, which carries a government guarantee. In that way I am sure he will get millions of dollars at a very low rate of interest should he need to borrow money in that way.

I would now ask you to call it six o'clock, Mr. Speaker.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 1, 1928

The house met at three o'clock.

REPORT

Audit of the accounts of the national committee for the celebration of the diamond jubilee of confederation.—Mr. Mackenzie King.

EXCISE ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved for leave to introduce Bill No. 54, to amend the Excise Act.

Mr. CAHAN: Explain.

Mr. EULER: The object of the bill is merely to make certain changes in connection with the better administration of the Excise Act. There are only three clauses in the bill, the chief of which is to give to the department the power to cancel licenses of brewers and distillers. That power we did not have before, and it is proposed now to take it. That is practically all there is in the bill.

Motion agreed to and bill read the first time.

RAILWAY ACT AMENDMENT

Mr. G. H. PETTIT (Welland) moved for leave to introduce Bill No. 55, to amend the Railway Act.

Mr. DUNNING: Explain.

Mr. PETTIT: The object of the bill is to amend section 308 of the Railway Act, chapter 170 of the revised statutes of Canada, 1927, by providing that the whistle shall be sounded twice more than is provided by the section. The section now requires that the whistle shall be sounded at least eighty rods from a level railway crossing, and the amendment proposes that the whistle shall be again sounded midway, that is, 660 feet from the crossing and also 330 feet from the crossing.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ST.-PAUL DE BUTON POSTMASTER

Mr. CAHAN:

1. Who is the postmaster at St. Paul de Buton, county of Montmagny, Quebec?
2. When was he appointed and on whose recommendation?
3. Did any returned soldier apply for the position?
4. And if so, why did he not receive the appointment?

Mr. RINFRET:

1. Joseph A. Talbot.
2. (a) January 16th, 1928; (b) As a result of local competition.
3. Yes, one Joseph Elzear Adam.
4. Unsatisfactory reports received regarding character and financial standing.

JOLIETTE POSTMASTER

Mr. CAHAN:

1. Why is the permanent appointment of a postmaster at Joliette, Quebec, still delayed?
2. What were the recommendations, if any, made by the Civil Service Commission in relation thereto?
3. Has the Postmaster General been informed that the present acting postmaster at Joliette, Quebec, is otherwise employed as a merchant and manager of a wood company, and that he is not devoting himself to the work of the said post office?
4. Have complaints been received against the said acting postmaster at Joliette, Quebec, and if so, will an enquiry be ordered in respect thereto?

Mr. RINFRET:

1. Awaiting the report of the district superintendent on the oral examination of the applicants.
2. That all the candidates must be examined by one inspector in order that the ratings may be uniform.
3. Inspectors' reports state: September 9, 1926, Mr. Breton "actually conducts tea, crockery and wood business"; August 16, 1927, Mr. Breton "has been and is now a successful business man with interests in Joliette and other parts of the province"; February 8, 1928, "Mr. Breton reported early in April at the Joliette post office to learn duties and was sworn in as acting postmaster on the 28th of the same month. Since then, the office has been in his full charge and under his constant control." Also: "Mr. Breton is in charge and has been since April, 1927. He apparently is giving all round satisfaction, will hand over his business affairs to his son."
4. Yes, inquiry has already been made.

DUTY ON NURSERY STOCK

Mr. BARBER:

1. What is the rate of duty against nursery stock entering Canada: (a) from the United States; and (b) from Holland?
2. What is the rate of duty against the following Canadian products entering the United States: (a) nursery stock; (b) fresh fruits and vegetables?
3. Is there at present any embargo against nursery stock or fresh fruits and vegetables entering the United States from Canada?

Mr. RINFRET:

1.

	Holland	United States
Extract-Tariff item 79:		
Seedling stock for grafting, viz.:		
Plum, pear, peach and other fruit trees..	Free	Free

	Holland	United States
Tariff item 81:		
Trees, viz.: Apple, cherry, peach, pear, plum and quince, of all kinds, and small peach trees known as June buds, each..	2 cts.	3 cts.
Tariff item 82:		
Grape vines; gooseberry, raspberry, currant and rose bushes; fruit plants, n.o.p.; trees, plants and shrubs, commonly known as nursery stock, n.o.p..	15 p.c.	20 p.c.

The rates shown under the heading "Holland" apply to articles covered by the above mentioned tariff items which are the growth and production of Holland when they are regularly invoiced and are conveyed without transhipment from a port of Holland or from a port of a country enjoying the benefits of the British Preferential or Intermediate Tariffs into a sea or river port of Canada.

2. (a) Nursery stock.

Par. 752. Seedlings and cuttings of Manetti, multiflora, brier, rugosa, and other rose stock, all the foregoing not more than three years old, $2 per thousand; rose plants, budded, grafted, or grown on their own roots, 4 cents each; cuttings, seedlings, and grafted or budded plants of other deciduous or evergreen ornamental trees, shrubs, or vines, and all nursery or greenhouse stock, not specially provided for, 25 per centum ad valorem.

Par. 753. Seedlings, layers, and cuttings of apple, cherry, pear, plum, quince, and other fruit stock, $2 per thousand and seedlings of grapes, currants, gooseberries, or other fruit vines, plants or bushes, 25 per centum ad valorem.

Par. 1642. Plants, trees, shrubs, roots, seed cane, seeds, and other material for planting, imported by the Department of Agriculture or the United States Botanic Garden, exempt from duty.

Ex. Par. 1682. Tea plants, exempt from duty.

(b) Fresh fruits and vegetables.

Par. 734. Apples, green or ripe, 25 cents per bushel of 50 pounds.

Par. 735. Apricots, green, ripe, one-half of 1 cent per pound.

Par. 736. Berries, edible, in their natural condition, 1¼ cents per pound.

Par. 737. Cherries, in their natural state, 2 cents per pound.

Par. 740. Figs, fresh, 2 cents per pound.

Par. 741. Dates, fresh, 1 cent per pound.

Par. 742. Grapes in bulk, crates, barrels or other packages, 25 cents per cubic foot of such bulk or the capacity of the packages, according as imported; currants, zante or other, 2 cents per pound.

Par. 743. Lemons, 2 cents per pound; limes, in their natural state, and oranges, 1 cent per pound, grapefruit, 1 cent per pound.

Par. 744. Olives in brine, green, 20 cents per gallon; ripe, 20 cents per gallon; pitted or stuffed, 30 cents per gallon; dried ripe olives, 4 cents per pound.

Par. 745. Peaches and pears, green, ripe, one-half of one cent per pound.

Par. 746. Pineapples, 22½ cents per crate of one and ninety-six one-hundredths cubic feet; in bulk, three-fourths of 1 cent each.

Par. 747. Plums, green, ripe, one-half of 1 cent per pound.

Par. 749. Fruits in their natural state, and not specially provided for, 25 per centum ad valorem.

Par. 1517. Bananas, green or ripe, exempt from duty.

Par. 763. Beans, not specially provided for, green or unripe, one-half of 1 cent per pound.

Par. 764. Sugar beets, 80 cents per ton; other beets, 17 per centum ad valorem.

Par. 765. Lentils, one-half of 1 cent per pound; lupines, one-half of 1 cent per pound.

Par. 766. Mushrooms, fresh, 45 per centum ad valorem; truffles, fresh, 25 per centum ad valorem.

Par. 767. Peas, green, 1 cent per pound.

Par. 768. Onions, 1 cent per pound; garlic, 2 cents per pound.

Par. 769. White or Irish potatoes, 50 cents per 100 pounds.

Par. 770. Tomatoes in their natural state, one-half of 1 cent per pound.

Par. 771. Turnips, 12 cents per 100 pounds.

Par. 772. Vegetables in their natural state, not specially provided for, 25 per centum ad valorem, provided, that in the assessment of duties on vegetables no segregation or allowance of any kind shall be made for foreign matter or impurities mixed therewith.

Nursery Stock

3. The importation into the United States of Christmas trees and Christmas greenery such as laurel, holly, etc., from certain sections of southern Quebec is prohibited on account of the gypsy moth. (U.S.D.A. Quar. No. 57.)

The importation into the United States of currants and gooseberry plants and five-leaved pines from all portions of Canada, is prohibited on account of the white pine blister rust disease. (U.S.D.A. Quar. No. 7.)

Native grown nursery stock, other than plants indicated above, may be imported into the United States, provided the importer has secured a permit from the federal horticultural board, Washington, D.C., and the shipment is accompanied by a certificate of inspection indicating that the plants covered by the certificate are free from pests and disease, and also a certificate of origin. (U.S.D.A. Quar. No. 37.)

Fresh fruits and vegetables.

There is no restriction on the importation into the United States of fresh fruits and vegetables of Canadian origin, but such importations may not be forwarded by mail. (U.S.D.A. Quar. No. 56.)

Other products.

The importation into the United States of corn, broom corn, sorghums and other related plants is prohibited from all portions of Canada on account of the European corn borer. Provision is made, however, for the importation of clean shelled corn, clean seed of broom corn, and broom corn for manufacturing purposes, provided the importer secures a permit from the federal horticultural board, Washington, D.C., and the shipment is accompanied by a certificate indicating that the products covered by the certificate have been inspected and found free from infestation by the European corn borer. (U.S.D.A. Quar. No. 41.)

RETURNED SOLDIERS ON HOUSE OF COMMONS STAFF

Mr. PRICE:

1. How many returned soldiers are employed on the permanent staff of the House of Commons?
2. How many temporary employees are engaged during the present session?
3. How many of them are returned men?

Mr. SPEAKER:

No. 1. 7; No. 2. 333; No. 3. 55.

QUESTION PASSED AS ORDER FOR RETURN

BOVINE TUBERCULOSIS RESTRICTED AREAS IN NOVA SCOTIA

Mr. DUFF:

1. What is the total number of signatures of cattle owners, received to date, to petitions, asking for the establishment of a bovine tuberculosis restricted area in the whole province of Nova Scotia?
2. How many head of cattle have been subjected to the tuberculin test in Nova Scotia?

[Mr. Rinfret.]

3. How many head of cattle have been slaughtered as a result of reaction to the test?
4. What is the number of cattle so slaughtered in each county in Nova Scotia?
5. What is the number of signatures received to petitions, as referred to, from each county in Nova Scotia?
6. What is the total cost to date of the establishment of restricted areas in Nova Scotia?
7. What is the total amount paid or due owners of cattle slaughtered in Nova Scotia under this policy?
8. What is the result of and report on the immunilogical preventive, curative and transmissibility work of the research councils and other bodies in reference to tuberculosis?
9. What was the amount expended during the last fiscal year upon such research work?

ST. LAWRENCE WATERWAY

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, before the orders of the day are called, I should like to direct the attention of the right hon. the Prime Minister to an item published by a very reliable news service bureau at Washington which reads:

American Letter 495

February 25, 1928.

We learn from Ottawa that the Canadian government has notified Washington of its readiness to go ahead with conversations preparatory to the signing of a convention looking toward construction of the Great Lakes-St. Lawrence waterway. The Canadian note contains no important stipulations to which the American government is likely to take exception.

I should like to ask the Prime Minister whether such a note has been despatched, and if so, if he will lay it on the table at the earliest possible moment on the theory that the Canadian people are more entitled to this knowledge than a news bureau.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend I would say that the item which he has just read is without foundation in fact.

Hon. R. J. MANION (Fort William): Might I interject that I was informed on pretty good authority, not that this had gone through just in the way the despatch says, but that the Canadian government had sent a communication to Washington, and that a reply was on the way from Washington. If such is the case, would the Prime Minister have both notes tabled as soon as possible?

Mr. MACKENZIE KING: If my hon. friend will tell me his authority, I will tell him whether it is worth while. No communication of the kind indicated exists to my

knowledge, and I know of no note of the kind on the way back. The whole thing is imaginary.

CANADIAN NATIONAL RAILWAYS REPORT

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I should like to ask my hon. friend the Minister of Railways and Canals (Mr. Dunning), now that two months have passed, when we may expect the report of the Canadian National Railways for 1927 to be tabled. It should be done at an early date.

Hon. CHARLES A. DUNNING (Minister of Railways): I was asking the president about the report just this morning. The audit is proceeding as rapidly as possible, and the president informs me that he hopes to be able to supply me with the accounts early next week. As soon as he does so, the report will be tabled. This is a little earlier than it is usually tabled.

Mr. BENNETT: It is two months now.

PRIVILEGE—MR. EDWARDS (Frontenac)

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, yesterday the hon. Minister of Immigration and Colonization (Mr. Forke) questioned the accuracy of certain statements which I had made in my speech of the day before and intimated his regret that under the rules of the house he was not permitted to express his opinion in language as strong as he would like.

I wish also to express regret that under the rules of the house I have no other alternative at the present time but to accept the hon. gentleman's statement. Time will disclose whether his statements or mine are more worthy of credibility.

BUSINESS OF THE HOUSE

FORTY MINUTE RULE—ALLOWANCE FOR INTERRUPTIONS

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I rise to a question of privilege—and I think it is one that is really in order, for it affects not only myself personally but every member of this house, except possibly two. It refers to the interruption of the rules of the house as regards debate. In Hansard of yesterday at page 889 we find an hon. member asking the Minister of Railways (Mr. Dunning) a question, to which he replies:

> I am ready to answer the question, if I am allowed the extra time.
>
> Mr. Speaker: It is not within my privilege to extend the time of any hon. member. I have to see that the forty-minute rule is observed.

My point of privilege is, that that is in direct contradiction to the understanding under which the rule was passed last session. By referring to Hansard of last year, repeated references will be found to the understanding that interruptions would be allowed for. Hon. members will remember that I opposed the introduction and passing of the rule, and I canvassed members in support of my opposition, but I was met with this objection: The rule won't hurt us because we have been told that interruptions will be allowed for. At page 1437 of Hansard of March 22, 1927, the hon. member for North Winnipeg (Mr. Heaps) is reported as follows:

> I desire to know if, under this rule—
>
> That is, the forty-minute rule.
>
> —a member is to be allowed for the time taken up by interruptions.
>
> Mr. Speaker: I may be allowed, not to take part in the debate, but to explain. Whenever closure is invoked the time taken up by any interruptions of a member is credited to his twenty minutes. It is an unwritten rule in congress, for instance, where similar restrictions are in force, to allow a congressman extra time for interruptions.

On the strength of that and other similar statements, with which I will not detain the house, there is no question that these assurances were a material factor in getting the forty-minute rule accepted, and I submit that they should be given effect to now.

Sir GEORGE PERLEY (Argenteuil): Mr. Speaker, in support of what the hon. member for Comox-Alberni (Mr. Neill) has said, I may add that that was the understanding in the committee last year when we discussed the rule for a considerable time. Not only so, but this understanding to my mind is impliedly confirmed by the rule itself:

> No member . . . . shall speak for more than forty minutes at a time in any debate.

Well, if a member is interrupted by questions being put to him, he surely cannot be said to be speaking at that particular time, and therefore I do not see how the time so taken from him should count in his forty minutes.

Mr. NEILL: Hear, hear.

Sir GEORGE PERLEY: My feeling is that interruptions of the proper kind are for the good of debate, and that no attempt should be made to stop them provided that the member who has the floor is willing to be

so interrupted. I think if Your Honour would use your discretion in that way it would be perfectly proper that the time during which a member is interrupted should not count in his forty minutes as he certainly cannot be said to be speaking during the time that he is being interrupted.

Mr. SPEAKER: May I be allowed to remind the house that there is another rule, No. 12, section 3 of which states positively:

When a member is speaking, no member shall pass between him and the chair, nor interrupt him, except to raise a point of order.

Now, I am familiar enough with the amenities of debate to know that when the member who has the floor accepts an interruption, and is willing to answer it, there can be no objection to the interruption. Furthermore, it goes without saying that he must be credited with the time lost in answering such interruption. But I would ask hon. members to bear in mind that when interruptions become—shall I say?—riotous, that is, when they come from all parts of the house, the hon. member who has the floor cannot make an intelligible speech, and therefore I would ask the house to see to it that the debates are carried on in such a manner as to obviate confusion. For my part, I do not object to an interruption, but when the hon. member addressing the house has to meet so many interruptions that he does not know where to begin or where to end, I think it is time for the Speaker to intervene. Let us not defeat the forty-minute rule. It is a good rule.

Hon. CHARLES A. DUNNING (Minister of Railways): On the basis of your ruling to-day, as contrasted with your ruling yesterday, Mr. Speaker, I think I am entitled to about ten minutes more time.

Mr. NEILL: Mr. Speaker, I was only asking that the rule be enforced in accordance with the assurances given last year.

Mr. SPEAKER: To give effect to the forty-minute rule I shall have to prevent all interruptions according to section 3 of rule 12.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Wednesday, February 29 consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

[Sir George Perley.]

Mr. H. E. SPENCER (Battle River): Mr. Speaker, when the house rose at six o'clock last night I was advocating that more Dominion notes be put into circulation to take the place of the bank notes of our chartered banks, and so save considerable money to the Dominion. I also recommended that a higher rate of interest should be paid on deposits in the post office savings banks, with the idea of effecting a saving to the government on their borrowings.

I come now to the last phase of my address. This seventh budget of a Liberal administration is, I think I am safe in saying, fairly satisfactory to the hon. members of the Conservative party, but is not at all satisfactory to a very large number of the government's supporters, and certainly cannot be accepted by the members of the groups in this corner of the house. Several hon. members have said that the government has tinkered with the tariff in the latest budget proposals. No less than 122 items of the tariff have been struck out and 159 substituted. Taking it all in all, a study of the tariff discloses that whatever benefit is to flow from this tinkering will be to the advantage of the manufacturers rather than the consumers of this country.

As a basis for what I am about to say, may I be permitted to read a resolution which was passed at the convention of the Liberal party held in Ottawa in 1919. It is as follows:

That the best interests of Canada demand that substantial reductions of the burdens of customs taxation be made, with a view to the accomplishing of two purposes of the highest importance; first, diminishing the high cost of living which presses so severely on the masses of the people; second, reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country.

That to these ends, wheat, wheat flour, all products of wheat, the principal articles of food, farm implements, and machinery, farm tractors, mining, flour and saw-mill machinery and repair parts thereof, roughly and partly dressed lumber, gasoline, illuminating, lubricating and fuel oils, nets, net twines, fishermen's equipments, cements and fertilizers should be free from customs duties as well as the raw material entering into the same.

That a revision downward of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption other than luxuries, as well as the raw material entering into the manufacture of the same.

That the British preference be increased to 50 per cent of the general tariff.

And the Liberal party hereby pledges itself to implement by legislation the provisions of this resolution when returned to power.

I want the house to visualize for a moment the extent to which that important resolution has been carried out by the Liberal party since they came into power. I admit that a portion of it has been carried out, but only under pressure from certain groups in this house when the government found themselves in a very difficult position and were struggling to keep power. This resolution, this program, this platform, has been preached day in and day out, year in and year out by the Liberal party from one end of the country to the other. It has not been preached very much in this house. It is a good device for getting votes, but so far as the government is concerned it is not something upon which to base legislation.

I desire to put on record the tariff clause enunciated to the house a few days ago by the hon. member for St. Lawrence-St. George (Mr. Cahan). Paragraph 5 of his statement reads:

> 5. The reduction of the customs tariff or the imposition of higher excise taxes, whenever and wherever necessary, to prevent the immoral use or abuse of the existing tariff, or any unfair advantage being taken of the tariff, as for example by those who would resort to profiteering by exacting unduly high prices for their products from domestic consumers, under the protecting elements of the existing tariff.

I know perfectly well that hon. members on the government side will say, as the Minister of Railways (Mr. Dunning) said yesterday, "Oh well, they don't mean that; they won't keep their promise." If that is so, I ask, what is the difference between the two parties? The Liberals say that the Conservatives will not keep their promises, but we know full well as a matter of fact, from the experience of the last few years, that the Liberals do not keep theirs.

The Minister of Railways, in addressing the house yesterday, said some pretty harsh things with respect to the smaller groups in this house. Other hon. members have also said harsh things, and bitter things were said in 1926 when the small group of twenty-three were in a most difficult position, holding, to use the common phrase, the balance of power. It was said that these twenty-three would be entirely wiped out at the ensuing election. But the people of this country are realizing that more and more they must turn to independent groups, and so much is that the fact that at the following election, not only was every one of those members returned, but eight more were added to their number. Of the thirty-one that were returned, ten of them, for reasons best known to themselves, took their seats on the government side of the house, not as part of the government members but among them. In my opinion, if those members had stayed in their old position we should to-day have a very different budget from that which we are now discussing. To use the words of the Minister of Railways, I suppose log-rolling is a good deal easier on that side of the house. We hope our confreres who have left us, temporarily as we trust, will some time come back. I am very much afraid, however, it is another case of the old story about the lady who took a ride on the tiger.

There is not the slightest doubt about this fact, that the budget is not at all acceptable to the majority in this house, had hon. members what they consider real freedom in the expression of their opinions. If, for instance, we had a set term of years for parliament and there was no possible chance of going to the country in the event of the budget being defeated, if moreover each hon. member had the opportunity, and took advantage of it, of expressing his absolute opinion with regard to this budget, I am confident that it would not meet with the approval of the majority. Unfortunately, however, under our present parliamentary rules and usages I do not suppose there is a single member on the government side belonging to the Liberal party, irrespective of the degree in which he dislikes the budget, who will stand in his place and vote against it. I say, therefore, that there is a tremendous responsibility at the door of those ten members who sit on the government side of the house because, whatever we do from this corner, we cannot without their support, be successful in trying to get the government to carry out its own program. As this budget does not carry out the expressed promises of the government in the past, and does not give relief to the masses of the people. I find myself compelled to support the sub-amendment.

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): It is not my intention to discuss at length the merits of the Robb budget. Our colleague in the government, the Minister of Finance (Mr. Robb), has been, I think, particularly fortunate in all his budgets, and the Robb budget to-day is looked upon by the Canadian people as probably no budgets have been under other administrations in times gone by. My hon. friend who has just taken his seat (Mr. Spencer) read a resolution which was brought before a convention of Liberals in 1919 and I am very glad he did so. He suggested that the government had nibbled at this resolution but had not carried it out. We know better than that, and the people of Canada know better, because the items mentioned in that resolution

have all, I think, been dealt with by this parliament during the time the present Prime Minister (Mr. Mackenzie King) has been leading this party. I know, coming from the province of British Columbia, that those engaged in the saw milling business, in mining, in fishing, and in agriculture do appreciate the fact that the government acted upon that resolution, and that their action has been helpful to these primary industries. And it is due to the fact that these primary industries have been thus enabled to flourish that we have to-day in Canada the condition of prosperity that exists.

The resolution to which my hon. friend has referred, and which Liberals can claim to have received throughout the country the endorsement of those engaged in primary industries, brings to mind the peculiarities of this debate. Experience is supposed to be a good teacher, but apparently hon. gentlemen opposite will not be taught, because during this debate we have heard the same arguments as were advanced every year from 1921 to 1925, all attempting to show that on account of the Liberal party Canada was not a good country to live in and that therefore many young Canadians were going to the United States. Hon. gentlemen opposite have advertised that fact through the medium of the press of this country, the United States, and abroad, and have left the impression that they as a party advocate that our young people should leave Canada to go to the United States and enjoy greater prosperity there.

An hon. MEMBER: That is not correct.

Mr. KING (Kootenay): That is the only assumption to be taken.

Mr. BENNETT: It is untrue.

Mr. KING (Kootenay): That point was very well dealt with by my hon. friend and colleague the Minister of Trade and Commerce (Mr. Malcolm). One peculiar thing about history is that it repeats itself, and fortunately for the Liberal party history is now repeating itself again. The only time during the history of Canada when our young people were not seeking employment in the United States was when Sir Wilfrid Laurier headed the government of this country, and we have reason to believe that the policies instituted by this government are bringing about a repetition of that very important condition.

My hon. friends opposite held a national convention during the fall of last year in the city of Winnipeg.

An hon. MEMBER: It was a dandy, too.

[Mr. J. H. King.]

Mr. KING (Kootenay): I agree with my hon. friend; it was a dandy convention, and as a result we now have our good friend the hon. member for West Calgary (Mr. Bennett) as leader of the opposition. With the Prime Minister and other members of this government I congratulate hon. gentlemen opposite on their selection of the man who now occupies that position. But is it not rather amazing both to the people of Canada and the members of this house that during the course of this debate we have not had one reference, to my knowledge—and I have been fairly constant in my attendance—to the resolutions passed at that convention as indicating the policy of the Conservative party? Our friends opposite are here to advocate the policies of their party, but we are told by one who is in close touch with them that these resolutions were not intended to outline the policy of the Conservative party but were merely passed for the purpose of being used in those localities where they would receive popularity. To prove my assertion I have only to refer to the resolution passed by that convention with reference to oriental immigration, which was sponsored by the Conservative members from British Columbia. I make that reference because there never has been an election in British Columbia since 1900, provincial or federal, during which the Conservative party have advocated a white British Columbia, and hon. gentlemen opposite cannot point to one act of the Borden government or of the Meighen government either before or after the war by which they undertook to control that immigration.

Mr. LAPOINTE: Do not all speak at once.

Mr. KING (Kootenay): No, they will not speak. But despite the advice of some of the older statesmen who had some knowledge of conditions within the empire, this convention passed the resolution in order that the Conservative party might go to British Columbia and say, "Here is what we stand for."

Mr. ESLING: What would you say in British Columbia?

Mr. KING (Kootenay): I have always stood for a reasonable and sound policy in that regard.

Mr. HOCKEN: We have not found that out.

Mr. KING (Kootenay): It will be found in the history of Canada that the only party which attempted to deal with this question was the party led by Sir Wilfrid Laurier and

later by Right Hon. W. L. Mackenzie King.

Now, Mr. Speaker, it is not my intention to go into the question of the budget, but during the debate several references have been made to a service recently established in Great Britain and on the continent of Europe. I refer to the medical examination service which was established by the Department of Health of Canada in cooperation and in conference with the Department of Immigration. This service was not entered into hurriedly but was undertaken in the light of experience and suggestions coming from the various provincial governments to the effect that they were not satisfied with the service which was then engaged in this work Under the Immigration Act we have a section known as the prohibited classes, and section (a) deals with those known as idiots, imbeciles, feeble-minded persons, epileptics, insane persons or persons who have been insane at any time previously; these people are prohibited from entering Canada under this section. Section (b) prohibits those who are suffering from certain diseases, which it is not necessary for me to enumerate. Section (c) prohibits the dumb and blind, but makes provision that these people may be allowed to enter Canada if, in the opinion of the board of inquiry, they have sufficient means or an occupation which will permit them to establish themselves in this country. There are a number of sections, running from (a) to (o), all under these prohibited classes.

Mr. HOCKEN: Tell us about the permits.

Mr. KING (Kootenay): I am coming to that shortly; my hon. friend made a statement yesterday with which I propose to deal.

The provincial governments have complained from time to time with regard to the service rendered. Previously we had been examining the immigrants at the point of debarkation; they came off the ship and the railway trains were waiting for them. It was the duty of the officers of the department to examine these immigrants before allowing them to board the trains, while it was naturally desired to get them to their destinations as quickly as possible, and it was found by experience that that examination could not be satisfactory or complete. From time to time the Department of Immigration as well as other departments of the government received complaints from the various provincial governments, and I am going to place on Hansard some of the statements made by various officers of the provincial governments. First we have a statement by Dr. Laidlaw, now deceased, who was formerly an officer of the Department of Health of Alberta, in which he says:

> We have at the present time in our mental hospitals in the province of Alberta 1,076 out of a population of 588,000. Of these, roughly speaking, 70 per cent were foreign born. Of this 70 per cent, 29 per cent came from Europe and 40 per cent from Great Britain, Ireland and the United States. The cost of maintaining these people in our province was about $250,000 or about $235 each for the year.

Dr. Seymour, of Saskatchewan, who is well known in public health circles throughout Canada made this statement;

> The conditions in my province—

That is his province—

> —are very similar with the exception that I believe the proportion of foreign born in our mental institutions in Saskatchewan is a little larger.

Then we come to Dr. McCullough, of Ontario. He cannot give the figures showing the proportion of foreign born in the institutions of Ontario, but he says:

> I do know that in the unorganized territory of the province where we are obliged to take care of contagious diseases, nearly all the people who appeal to us for admission to the sanitorium for tuberculosis have foreign names.

Then we have a statement from Dr. Dunlop, who is in the hospital for the insane, feeble minded and epileptic of the province of Ontario. He says, speaking of the year 1922:

> The proportion of those admitted born in Canada was 62 per cent. The proportion of the foreign born was 32 per cent. Many of the foreign born came from southern and eastern Europe. In 1922, we had 110 persons admitted who came from that part of the world and the cost of maintaining them was over $40,000. Very few of this class have any means, but become public paupers to be supported by the taxpayers of Ontario. One wonders, when dealing with this subject, how long such an immigration policy should continue, and why the people of Ontario should be taxed to maintain such an alien element, who rarely become permanent assets but are simply floating liabilities.

Dr. Desloges, of the public health service of the province of Quebec furnishes figures showing that in the St. Jean de Dieu insane hospital, there were 93 foreign born patients whose mental abnormality could have been detected prior to embarkation, and that at the Verdun insane institution there are 60 similar cases. Then we have a report by Dr. Young, British Columbia, in which he says:

> During the fiscal year which closed March 31, 1925, there were 461 patients admitted to the provincial mental hospital at Essondale, B.C. Of these 38.8 per cent were born in the British Empire outside of Canada, 4.3 were Orientals, all other countries contributing 23.2 per cent.

The following is an extract from British Columbia's report of the mental hospitals for the year ended March 31, 1924:

We hear from time to time discussion as to the nationality of our mental cases and find it linked up in many erroneous ways. Of those admitted during the period of this report 133 or 29.7 per cent were born in Canada; 314 or 70.3 per cent being born in other countries. As much has been said about immigration and the open door for new citizens from other countries, I have analyzed this 70 per cent and find they were contributed as follows:

Great Britain

England	110
Scotland	45
Ireland	21

A total of 176 or 39.3 per cent of the total admissions.

Oriental

India	1
China	20
Japan	2

A total of 23 or 5.1 per cent of the total admissions.

United States	45

Or 10 per cent of the total admissions.

Then we have a statement made by Dr. Edward Ryan. My hon. friend from Toronto West Centre (Mr. Hocken) will recognize who Dr. Ryan is. He is an officer of the provincial government, a psychiatrist of note, and he has this to say; I am reading it especially for my hon. friend's benefit:

May I direct your attention to what doubtless has been brought before you and often, namely, that a large number of patients in our hospitals are foreign born defectives. Many of these have been brought out by the Barnardo Home, St. George's Home and various other organizations of this character. In the vast number of cases, the stigma of degeneracy and defectivity are quite apparent.

Under the system formerly used we were not giving the protection which they recently asked for to the provinces who have to maintain institutions of this character, and it was on their suggestion that the question of medical inspection at the point of embarkation instead of the point of debarkation was considered by this government. We had representations from the various provincial governments, with statistics that could not be refuted, showing that there were many coming to our shores who were not entitled to admission under our law. Conferences were held between the Department of Immigration and the Department of Public Health to see if some plan could not be devised under which those who could not be permitted to enter under our regulations could not be detected at the start and would not have to be returned from the point of debarkation. I think all will agree that in principle this idea is sound. The government did not approach the consideration of this matter without realizing that there were difficulties in the way, and we asked that there should be a conference between the public departments interested and those who are directly interested in the transportation of these individuals, that is to say the steamship and railway companies. Accordingly a conference took place on May 7 in the office of the Minister of Immigration at which the following departments and companies were represented:

Department of Immigration:—Hon. Mr. Forke, Mr. Egan, Mr. Blair and Mr. Jolliffe.
Department of Health:—Dr. Clark, Dr. Page and Dr. Jeffs, our London representative.
Canadian National Railways:—J. S. McGowan and A. A. Gardiner.
Canadian Pacific Railway:—Mr. Walter Maughan, Mr. W. G. Annable, Mr. J. N. K. MacAlister.
Cunard, Anchor and Anchor-Donaldson Lines:—F. J. McClure and A. Randles.
White Star Line:—H. Bjorkland.
North German Lloyd:—P. Stenz and J. Eykman.
Holland American Line:—Fred M. Vaz.
French Line:—A. Labelle.
Swedish-American Line:—Arne Holquist.

At that conference it was agreed that this service would be established. The point was raised that in the establishment of such a service there might be delay in the medical examination, that it would not be found feasible to place men in Europe and in Great Britain who would be able to conduct the examination with efficiency and despatch. That possibility was recognized not only by those engaged in the transportation of these people but also by the departmental officers. When the matter was brought to my attention I recommended that the officers who were placed at various points should be able to obtain the assistance of local men if conditions so warranted them. This plan has only been in operation since November last and we have placed some eighteen or twenty men in Great Britain and on the continent. We have met the difficulties that were anticipated. Wherever there is congestion and it is not possible for our officer to act with sufficient expedition he is employing extra assistance. I believe the service now rendered will be to the advantage of the transportation companies and of the people of Canada.

Why do I say this? Because under our old system we found that in 1923-24 the number of rejections on arrival at Canadian ports was 130. Then we find that some 649 immigrants who had gone to their proposed residences were deported. This was not only a great expense to the country but also a great inconvenience and hardship to those

who were being deported. The same thing is true in 1924-25 and in 1925-26. In each year it was found that there were certain individuals detected at the point of deportation and others who were deported after they had arrived at their point of destination.

Under the assisted immigration scheme whereby the immigrant from Great Britain was assisted not only by the British government but by the government of Canada, we established a form of medical inspection in Great Britain for that class of immigrant, employing a rostrum of local doctors. The evidence as brought out by the operation in the year 1926, will, I think, confirm the action of the government in establishing this service abroad. We find that out of approximately 115,000 immigrants who arrived at Canada's ocean ports, 33 were certified as being mentally defective, 41 as having loathsome or contagious diseases, principally tuberculosis or trachoma, and 619 as being physically defective, representing in all a little more than one-half of one per cent of the total number passing medical line inspection. I wish to contrast this with the 20,000 who came forward under the assisted passage scheme and were inspected in Great Britain. It was shown that of the prospective immigrants medically examined overseas prior to embarkation, who were required to undergo compulsory examination because they were receiving financial assistance, 182 were certified as being mentally defective, 195 as having loathsome or contagious diseases, and 1,784 as being physically defective. In other words, under the intensive examination, proportionately nearly twenty times as many mentally and physically defective persons were detected prior to embarkation as were detected on arrival in Canada through the medium of medical line inspection.

Certain references have been made in the past to the service that we are endeavouring to install or develop in the old country to control this condition of affairs. The London Times has taken exception to the Canadian people having medical representatives in London. They have indicated that this will probably slow up the emigration of Britishers to Canada, and in an article published within the last few days they state:

> It is feared in the coming season as a result of new regulations, emigration from Great Britain to Canada will be reduced by as much as from thirty to fifty per cent.

The article goes on to state that we are carrying out those examinations in unsuitable places. I will deal with that in a few words. They seem also to take exception to the installation in Great Britain of Canadian doctors who would pass upon the prospective emigrant. I do not know why this exception should be taken. If we are to be represented abroad in order that the provisions of the Immigration Act shall be carried out, surely we are entitled to have our own officers to interpret and make effective that act.

There have also been suggestions in the press that harsh treatment has been meted out to one poor unfortunate person who came to this country as an assisted immigrant in December of last year. I am referring to the case about which the hon. member for Toronto West Centre (Mr. Hocken) spoke yesterday. I am not going to repeat the name, because I think it is unfair to that family that their name should be canvassed abroad in Canada as having one mentally defective child. I propose however to give the history of that case in order that we may see whether the Department of Health and the Department of Immigration have fallen down, or whether they have maintained not their law but the law this parliament has passed. These individuals arrived in Halifax in December last. The medical officer, following the usual practice, boarded the ship and examined the passengers. He found a family of five children, one child, as he put it, for the cause of detention, "observation mental and impetigo." The child was fourteen months old, the oldest member of the family being twelve years old. The other four children were apparently mentally and physically normal.

Mr. GOTT: That is the age of the McConachie child.

Mr. KING (Kootenay): If my hon. friend wants to advertise it he can do so. I do not propose to do so.

Mr. RYERSON: Just as well not.

Mr. KING (Kootenay): I think it would be better if my hon. friends opposite would not advertise it.

Mr. GOTT: It would be better for the government.

Mr. KING (Kootenay): No. My hon. friends are entirely wrong and I think I can show that they are wrong. I think the people of Canada will agree that the officer of the Department of Health did his duty in reporting this case to the immigration department. My hon. friends will not take exception to that. If they are prepared to take exception to it, they should move for the deletion from the Immigration Act of that section which deals with the mentally defective. They will not do so.

Mr. EDWARDS (Frontenac): Is that section 3?

Mr. KING (Kootenay): The examining physician, Dr. Rutherford, found that this type was what is known as the Mongolian type. It is not necessary for me to describe that type in the house. He certified that this child was feeble-minded, would continue to be, and there was no hope for recovery.

Mr. HOCKEN: How does he know that?

Mr. KING (Kootenay): On account of the type. He also recommended that a fine be imposed on the steamship company for bringing this child because it could be easily detected as that type on embarkation or on the way over.

Mr. BENNETT: What do the medical men in Great Britain say?

Mr. KING (Kootenay): I will give that in a moment. This child, as I understand and am informed, was not allowed to land in Canada. The mother and the child were transported back from Halifax on another steamer, and on their arrival in Great Britain they were examined by our officers in London. I will give my hon. friend the reference in regard to that. Medical evidence was given before the board of inquiry at Halifax—there was a board of inquiry—and the report of Dr. Rutherford was sent to Dr. Jeffs, a representative of the department in London, England. A wire was sent to Dr. Jeffs, as follows:

> Referring correspondence re this party last December. Strong representations made to immigration against Halifax decision. Wish you could arrange soon possible to have competent re-examination made and report.

These people arrived back in London, and then we have this letter from Dr. Jeffs:

> I examined the above named in this office yesterday in the presence of Dr. Clark—

Dr. Clark is the Assistant Deputy Minister of Health. He, Dr. Jeffs, and Dr. Parney were the three Canadian doctors who made the examination when the family got back to the old country:

> —and we concur entirely in the report submitted by Dr. Rutherford.

It may be all right for my hon. friend to express his sympathy, and he has no greater sympathy than I have or the Minister of Immigration (Mr. Forke) for this family in the circumstances in which they find themselves—

Mr. McGIBBON: I hope you have a better way of showing your sympathy.

[Mr. J. H. King.]

Mr. KING (Kootenay): I do not know that my hon. friend has really grasped the point yet. Does he think it was a better way of showing sympathy to get up in the House of Commons and deal with this case as it has been dealt with here? I will be able to convince him and convince the house I think that that was a mistake, and was not a service to that family.

Now why did Doctor Rutherford refuse admittance to this child? He did it under section 3, paragraph (a), of the Immigration Act, which absolutely prohibits that type of individual from coming into Canada. My hon. friend from Toronto West Centre (Mr. Hocken) said yesterday that under section 4 the minister had the right to admit the child under special permit. He read part of the section, as follows:

> The minister may issue a written permit authorizing any person to enter Canada, or having entered or landed in Canada to remain therein without being subject to the provisions of this act.

The act goes on further to provide:

> Such permit shall be in the form A of the schedule to this act, and shall be expressed to be in force for a specified period only—

Mr. HOCKEN: I read that.

Mr. KING (Kootenay): It goes on:

> —but it may at any time be extended or cancelled by the minister in writing. Such extension or cancellation shall be in the form AA of the schedule to this act.

That is subsection 1 of section 4. Subsection 2 of section 4 provides, and I ask my hon. friends to get this section:

> A return of all such permits with particulars and names therefor, issued during the year, shall be made by the minister to parliament within thirty days of its meeting.

Why is that provision there? It is in order that parliament may judge whether that section of the act is being properly carried out.

Mr. MANION: And not abused.

Mr. KING (Kootenay): Then section 18, which is the controlling section, and which my hon. friend failed to read, deals with cases where no appeal is allowed from the board. That is the section under which the Minister of Immigration dealt with this case, and he is quite right in saying that he had no authority to admit the child. Section 18 provides:

> There shall be no appeal from the decision of such board of inquiry as to the rejection and deportation of immigrants, passengers or other persons seeking to land in Canada, when such decision is based upon a certificate of the examining medical officer to the effect that such immigrants, passengers or other persons are afflicted with any loathsome disease, or with a

disease which may become dangerous to the public health, or that they come within any of the following prohibted classes, namely, idiots, imbeciles, feeble-minded persons, epileptics and insane persons: Provided always that Canadian citizens and persons who have Canadian domicile shall be permitted to land in Canada as a matter of right.

The history of this case is this. That child arrived on the steamer. The officer went on board and detected the child and said: This child cannot come in under section 3. Having given that decision, and the board of inquiry having made their inquiry, the minister was precluded under section 18 from exercising the discretion he might have had if the medical officer had failed to report and do his duty.

Mr. EDWARDS (Frontenac): What then is the purpose of section 4 in the act?

Mr. KING (Kootenay): It has been found in practice, and I suppose this section was put in for that purpose, that people have passed through our lines of medical inspection and have gone on to their points of destination, and there have made associations which were able to bring from time to time certain suggestions to the minister that it would be a great hardship and very unfortunate, and not in the public interest, to deport an immigrant. That is why section 4 is there, to give the minister discretion. But this case having been detected on the steamer, and the medical officer having made his report, and the board of inquiry having made their report, the minister was precluded under section 18 from exercising the discretion he would otherwise have had under section 4.

I make this statement because I think the attack that has been made on the Minister of Immigration is very unfair. As far as I am concerned as Minister of Health I am prepared to take full responsibility for the decision of Doctor Rutherford in this case. I will go further and state for the benefit of those who may have any doubts about this case that if it is considered necessary I will have another examination made by competent men in Great Britain who are outside of our service altogether, and if it is found that this child should be admitted to Canada under our laws and regulations, there will be nothing put in the way of allowing that child to enter Canada and join the other members of the family.

Mr. McGIBBON: Was this child not examined previous to coming to Canada?

Mr. KING (Kootenay): No. The curious thing about that is that the report shows and the mother states that although the mother and the four children were examined, the baby was not examined.

Mr. MANION: Even in these circumstances could not the Minister of Immigration have overruled the regulations because of the special circumstances regarding the family and permitted this child to remain here for six months?

Mr. KING (Kootenay): I do not think so. It is an unfortunate condition. This is not the only case in Canada; there are other cases. On account of the medical officer having detected this child on shipboard and having reported the condition to the officers of the Immigration department, and the board of inquiry having sat on the case, the Minister of Immigration was precluded from exercising his discretion and it was necessary to return this child.

Mr. I. D. MACDOUGALL (Inverness): Before I essay to offer a comment on the budget presented to parliament by the Minister of Finance (Mr. Robb) I desire to refer briefly to the address delivered in this chamber yesterday by the Minister of Railways and Canals (Mr. Dunning). I do so not to criticize him for of all the men who sit on the government benches there is none for whom I have a higher regard than for the hon. gentleman who occupies the portfolio of railways and canals. Yesterday during the course of his very excellent speech, and all his speeches are excellent, he made a very vitriolic attack on the members of the Progressive group. As I listened to that attack the thought passed through my mind, How fleeting is memory, and how base is ingratitude! We who sat in this house in 1925 listened to far different speeches from hon. gentlemen opposite. Neither the Minister of Railways, nor any other supporter of the government down to the humblest back-bencher, in reference to that group took the position which the hon. minister himself adopted yesterday. From every corner of the government side there were flung at that group bouquets, panegyrics and laudations. Some of them went so far as to say that the Progressives were more advanced Liberals than the Liberals led by the Right Hon. W. L. Mackenzie King, that their own party had strayed away from the narrow path of rectitude, and that the Progressives represented the real Liberalism so sorely needed by this country. Our friends opposite were so accommodating that they were willing for the Progressives to vote lack of confidence in the government, but they implored them not to vote the Liberal party out of

power. As a result of those very friendly advances I am afraid that some members of the Progressive group were actually spoiled, as to-day we have, for example, the spectacle of the hon. member for Rosetown (Mr. Evans) arrogating to himself a monopoly of all public morality and all private virtue. Nevertheless, those blandishments were effective in 1926 when the government, in defiance of the popular will, were attempting to hang on to power by their eyelashes. But to-day the mask is thrown off, and we are told by a responsible spokesman of the government, the Minister of Railways, what the Liberal party really think of the Progressives. Henceforth my friends to the left and my friends in the Labour group know that whenever an organized labour or farmer nominee appears in an election his head will be hit by a bludgeon wielded by the Minister of Railways and his associates in the Liberal ranks. However, that quarrel is between the government and the Progressives.

May I congratulate the Minister of Finance on the masterly—might I say?—adroit manner in which he has presented his budget. It is said of individuals that they mellow with advancing years and their prejudices become less pronounced. Well, that is hardly true of the hon. minister, because in the presentation of his budget he made an excellent political speech, and I can well understand that my hon. friend from South Huron (Mr. McMillan) will be quoting some of the figures there given—not for the information of the Canadian people, but rather to baffle them—whenever he is addressing the electors of his riding. As I say, I admire the adroit manner in which the Minister of Finance presented his budget. Speaking of the national debt, for example, he made no reference whatever to the first year and three months of office of the Liberal party—during which, making no allowance whatever for the obligations incurred on behalf of the Canadian National Railways, we had an increase in the national debt of $49,000,000. No, he commenced his five-year period after the lapse of that year and three months.

Then he declared that taxation had been substantially reduced. I saw my hon. friend the Minister of Railways (Mr. Dunning) smile blandly as he heard the announcement—he always does smile blandly, but I think he smiled rather more blandly than usual on that occasion, because he knows differently. And there was tumultuous applause from the back benchers on the Liberal side.

[Mr. Macdougall.]

Mr. CASGRAIN: And the front benchers too.

Mr. MACDOUGALL: Yes, and the front benchers also. Now, what is the situation in regard to taxation? First, what are taxes? They are merely the amount of money collected by the government from the people either directly or indirectly. If you compare the amount of money taken from the people by the government that held power from 1916 to 1921 with the amount collected during the five-year period selected by the Minister of Finance, you will find that in this latter period the Liberal government extracted from the people in the form of direct and indirect taxes $416,000,000 more than was collected by their predecessors between 1916 and 1921—and two of those were war years. In other words, Mr. Speaker, for every single day that this government have held office they have increased the volume of taxation by $189,000. It is quite true that they did reduce certain specific taxes, but it is also quite true that in the majority of cases they had first raised those taxes. For instance, the Minister of Finance announced with great satisfaction that the government had brought the sales tax down to 3 per cent. That is, after labouring for six years they have brought the sales tax down to the point where they found it under a Conservative government in 1921. Then the minister says, in effect, to the Canadian people: Behold me, may I not stick a feather in my cap and crow, for see what I have accomplished in six years.

During the course of this debate we have had frequent references to the condition of the country, whether or not it is prosperous. In this connection certain hon. gentlemen opposite took a very extreme stand. According to them the millenium has at last arrived—Canada is literally a land overflowing with milk and honey; we are basking in the sunshine of prosperity. Certain other hon. gentlemen on this side of the house, not so friendly to the administration, seemed to adopt the ancient attitude that "no good can come out of Nazareth."—that no good works can be performed and no progress achieved under a Grit government. May I be pardoned, Mr. Speaker, if I dissociate myself from both of those views? In medio stat virtus is an ancient dictum, and probably as true as it is old. Whether Canada is prosperous or not will depend very largely on what constitutes a prosperous state. To say that Canada is prosperous because of a reported surplus in national bookkeeping is a dangerous, and oft times a fatal, mistake. A surplus is often illusory like Paddy's flea—when you go to put your finger on it you find it is not there.

Nor, sir, must we judge the prosperity and progress of a country by the annual reports of its large financial institutions. When all is said and done the only correct norm by which to judge real national progress and prosperity is by the conditions existing in the average humble home of the masses. If you want to find a proper standard of living by which to judge the prosperity of a land, you must go, not to the mart, to the financial institution or the mansion of the rich: you must go rather into the homes of the poor. Scotland's national poet might have had nations as well as individuals in mind when he penned these words so full of wholesome philosophy:

> To make a happy fireside clime
> To weans and wife:
> This is the true pathos, and
> Sublime of human life.

Let us see how much happier this government has made the fireside climes of the poor people of this country? There are only two ways in which they could have assisted the poor, namely, by inaugurating and keeping in force policies which would ensure to these people a continuity of employment at good wages, and also by instituting policies which would tend to reduce the cost of living in this land. Let us inquire what has happened in this regard. In 1922 the cost of living for a family budget, including foods, rent, clothing and so forth, was $20.67 per week. In December of last year it was $21.37, a slight increase. In other words, the government have not made happier fireside climes for the poor people of Canada so far as the cost of living is concerned. Well do I remember how the right hon. the leader of the government (Mr. Mackenzie King) used to bewail the condition of the poor. His heart used to bleed for the poor when he was in opposition, and he deplored the condition of the masses of the people who had such terrible burdens strapped to their shoulders. But what about wages? Someone may say that even if the cost of living has increased during the last six years wages have increased also, and that consequently the million industrial workers in Canada are better off. Let me point out in this respect that only 2 per cent of the industries of Canada employing over 200 men have not reduced wages during the last six years under this government. There were reductions in wages in 98 per cent of the industries employing more than the number of men I have stated, and some of these reductions ran as high as 50 per cent. That is the situation in regard to wages. Sixty per cent of the one million industrial workers in Canada to-day are receiving on an average only $17 a week, while the cost of living is $21.37. That is the happy fireside clime which this Liberal government has made for the poor people of Canada during the last five or six years.

We talk a lot about immigration, but it is impossible for us to stimulate immigration. it is needless to expect immigrants to come to Canada, until we are first in a position to take care of our own industrial workers. Let us institute in this country a policy which will revive and tone up industry, a policy under which the working men of Canada can secure continuity of employment and receive good wages. That would be the best immigration advertisement we could give the world. After all, when you go to look for immigrants you do not expect to find them in the ranks of plutocracy; you do not expect wealthy men with large estates in Britain and other countries to come to Canada. You are looking for the poor man who is coming in search of work, and if you cannot provide him with work you will not get him. In the matter of immigration, as in all others, charity should begin at home. Let us first take care of our own industrial workers. Then if we have work to offer in this country, let us go to the United States where there are thousands of Canadian boys and girls, in Boston, New York, Detroit and other cities, and let us try to bring them back. If we have anything in Canada to offer, let us offer it first to our own people. I say that without wishing to disparage those who come from other lands. We want the right kind of immigrants to come to this country, but employment should be provided first for our own people before we undertake to recruit the ranks of the unemployed by bringing in immigrants when we have nothing for them to do. I would suggest that we make an earnest effort to bring back the boys and girls who have left the country. Let no one say that these young people went away because of the wanderlust. A very small percentage of them may have left through that impulse, but the real reason for the departure of the majority of them was the fact that they could not get employment in their native land. Offer them that employment to-morrow and they will return; and I am sure they would make better citizens than any immigrants we could bring from any foreign country. They have that spark of patriotism which they derive from being sons of the soil. After we have stimulated industry by means of a policy which will give employment to our own people, then in the matter of immigration I would urge that we make a thorough study of the work of our immigration agents in all parts of the world. Let us see what they are doing or whether they are doing

anything, and let us have a report on immigration. Let us take immigration out of politics. I do not wish to be in any way offensive; I do not wish to wound the tender sensibilities of any man in this house; I do not wish to be caustic in my remarks regarding the Minister of Immigration. But I do submit that you cannot get blood out of a turnip; you cannot get constructive ideas from a tabula rasa. If, therefore, we want to get results let us have at the head of the immigration department a man who is alive from the neck up.

Coming from the maritime provinces, I can say that conditions there are somewhat better to-day than during the last six years. I am glad to be able to make that statement and I am prouder still of the fact that I was one of the number who started the movement to secure the rights of those provinces, which movement to some extent has resulted in improved conditions. There is no doubt that the recommendations of the Duncan report which have been so far carried out have assisted the people of the maritime provinces very materially, and more important than anything else, perhaps, has been the psychological effect. But I notice that hon. gentlemen from the maritime provinces supporting the government in this house—they are very few and they will be fewer the next time—when speaking, both in the house and outside, seem to take to themselves the whole credit for the movement which culminated in securing for the maritime provinces some of the rights to which they are entitled under confederation. I do not wish to play politics in this matter because, while the movement was given the support of the Conservatives in the maritimes, it also received the support of many Liberals. It was not, however, at first accorded the support of those who are the political leaders of Liberalism in the maritime provinces. It was not given the support of a single Liberal newspaper there, and from 1920 on, when the rights of the maritime provinces were being urged, those who said that conditions were deplorable, those who pointed out that our rights within confederation were being denied, were criticized, abused and derided in the Liberal press. We were depicted as pessimists, as blue ruinists, as maritime wreckers, and in the words of the hon. member for Antigonish-Guysborough (Mr. Duff), the whole business was Tory propaganda. But, sir, those who started that fight went into it with determniation, and they saw it through; they crystallized public opinion throughout the length and breadth of Canada in favour of the legitimate rights of the maritime provinces within confederation. That public opinion could not be ignored even by the government, and as a result a commission was appointed to investigate the needs of the maritime provinces. The head of that commission was Sir Andrew Rae Duncan, who was first introduced to the maritime provinces by Hon. Edgar Nelson Rhodes, Premier of Nova Scotia, who had previously brought him to Canada to settle the coal strike in Nova Scotia. That commission was appointed; it went down to the maritime provinces, and I would remind this house that the commission did not pluck its findings out of the atmosphere, but went there as a tribunal to hear the case of the maritimes. A good case was presented, and every bit of evidence given before that commission was presented by representatives of the Conservative party in the maritimes. The only Liberals who appeared before that tribunal were a few men who came to plead the cause of secession, and I do not believe they were even representative of the Liberal party in the maritime provinces, at least, to be charitable I hope they were not.

At all events, as a result of this agitation and the masterly presentation of the case by Hon. Edgar Nelson Rhodes, Hon. J. B. M. Baxter, and the then Premier of Prince Edward Island, the findings of the Duncan commission were made and presented to the government, but as yet they have not been all fulfilled. One of them is of primary importance to the province of Nova Scotia; it vitally affects the industrial life of that province, and as yet it has not been dealt with in any shape or form. The Prime Minister gave his assurance that the recommendations contained in the Duncan report would be carried out in full; that has not been done as yet. Then, as though to make assurance doubly sure the Postmaster General (Mr. Veniot), the Don Quixote of New Brunswick politics, went down to St. John and delivered a speech in connection with the proposed bounty to the steel industry as recommended by the Duncan commission on page 38 of the report. In that speech the Postmaster General said that within the course of a few weeks an announcement would be made which would make every Nova Scotian feel glad. This announcement was to be in connection with the steel industry, and everyone interpreted that to mean an announcement to be delivered in the budget. It may be that the hon. gentleman was misquoted, as public men sometimes are; perhaps what he intended to say was that the budget would be brought down and that it would make every maritimer mad. However, we had the assurance of the Postmaster General that something would be done, and we had the assurance of the Prime

Minister that something would be done with respect to the steel industry. So far nothing has been done.

Just at this point, Mr. Speaker, I wish to point out to the house the importance of the steel industry to Canada or to the industrial life of any nation. It will be found that the industrial life of a nation is bound up with its steel and its coal. If we consider the industrial history of those nations which to-day occupy prominent places in the world with respect to power, influence, wealth and population, we will find that in every case they owe their commercial and industrial greatness to their vast deposits of coal and their steel industries. I might also point out that the Nova Scotia industry is the only steel industry having all its roots in British soil, the only one indigenous to the British Empire. As great and important as that industry is in times of peace it is much more so in times of war, and are we going to allow that industry to suffer atrophy and die? Would this government or any other Canadian government care to have the iron ore deposits of Newfoundland taken over by Americans? That is a situation which may come about if the industry is not properly fostered and protected. We are demanding that the plighted word of the Prime Minister be carried out with regard to the Duncan report; we demand that the assurance given by the Postmaster General be put into force and that this industry be assisted in the manner suggested by the Duncan report.

Let me point out the situation, Mr. Speaker, with regard to the steel industry in Sydney. My hon. friend the Postmaster General said an announcement would be forthcoming which would make every maritimer glad. Well, the budget does not contain anything for the Nova Scotia steel industry. Will it make the people of Nova Scotia glad, or will it make them mad, to know that six out of seven blast furnaces situated in Sydney are to remain idle, as has been the case ever since this government came into power? Will it make the people of Nova Scotia glad to know that the Sydney steel industry, which to-day is working at only thirty per cent capacity, will continue so to work? Will it make the people of Nova Scotia glad to know that the shutters will remain on the windows of the homes of those workers who have invested all their savings in their little houses at Sydney Mines and Trenton? I fail to see that this budget will do very much for the steel industry of the maritime provinces, and before it is too late, before that industry is completely ruined, I appeal to the government of the day to do what they should do and what they are decently bound to do by the professions of the Prime Minister of this country. I appeal to the government to assist this industry in accordance with the report of the Duncan commission.

In the province of Nova Scotia, as in the province of Alberta, we are very vitally interested in the question of a national fuel policy. A short time ago the Minister of Railways and Canals (Mr. Dunning)) asked what a national fuel policy was, just as his leader once asked what maritime rights were. I wish I had been in the house at the time, but I will answer that question now by saying that a national fuel policy is one under which Canadian coal will be burned, as far as humanly possible, by Canadian railways, Canadian industries and on Canadian hearthstones. In advocating such a policy we in the maritimes join with you in Alberta; it is a crying shame and little less than a disgrace that $100,000,000 of good Canadian money should be sent to the United States year by year to give employment to American miners while our own miners in Alberta and Nova Scotia go idle, often leaving their wives and families without bread. I say that is a situation which should be corrected, and I sincerely hope that some effort will be made by this government to cope with that question. They have done nothing so far; we have brought up the question in this house time and time again, but absolutely nothing has been done. This government should go into conference with the accredited representatives of the Nova Scotia and Alberta governments and find out just what could be done to widen the zones of distribution for Alberta and Nova Scotia coal. I throw this out as a suggestion in the hope that the government will bestir themselves and do something for the solution of this problem which is, in the truest and best sense of the word, a national one.

Now although we are a little bit better satisfied in the maritime provinces on account of the somewhat more or less successful issue of the fight which we put up for maritime rights, I may say that the people of the maritime provinces have other requirements to be met besides those which have received attention under the report of the Duncan commission. We need an extensive program of branch line railway construction. In Nova Scotia four different branch lines at least are a necessity, because our transportation facilities are altogether inadequate. One is needed in the county of Richmond, one in the county of Colchester, one in Guys-

borough, and one particularly in the county which I have the honour to represent and of which I wish to speak for a moment. I have the privilege of representing in this parliament a county which, perhaps, is just as rich in potential wealth as any county in this Dominion. It is estimated that we have in that county over two billion tons of coal, we have a variety of other mineral wealth, we have agricultural wealth, and our fisheries are very important. But unfortunately, there are in that county only sixty miles of railway extending from Point Tupper to the town of Inverness. The other half of the county, containing extensive mineral wealth, important fisheries and excellent farming facilities, has no transportation facilities whatever. I appeal to the government, when they are making provision for the construction of branch railway lines, to give some consideration to the question of extending the railroad in question from Inverness to Cheticamp in order that the great deposits of mineral wealth already referred to may be developed, and that the people may attain a greater degree of progress and prosperity than it is now possible for them to enjoy owing to the lack of transportation.

Now, Mr. Speaker, my time is about up. But before I conclude there is one thought which I wish to express; it comes to me, perhaps, on account of the reference to my native county. If you visit that county you will not be impressed with industrial development owing to the failure of the government to adopt any policy calculated to bring that about. You will not be struck with the transportation facilities because the present government has failed to provide them. But there is one thing with which you will not fail to be impressed, and that is the spirit of cooperation, of amity, and of friendship which exists between the different races in that county. Four races are represented among the people—Irish, French, English and Scotch. Although of different racial origin, the people always co-operate and work together; and perhaps the most edifying thing is to see the rose, the fleur de lis, the thistle and the shamrock side by side and giving their sweetly blending aroma to that county, which claims those races as its own. That is the picture I should like to draw of Canada as a whole. We have different races, we have different groups, and different views; but when all is said and done—although we may not think so with the government at present in office—we have certainly a great country, a country of vast possibilities, a country which should present a myriad of opportunities to young Canadians so that they may play their part in helping this country to achieve its great and exalted destiny. I would ask in conclusion, that no matter to what party we give our political allegiance in Canada we should spread the message of confidence in our own country, the message of faith in its resources. I would ask further that we should try to spread the message of goodwill amongst our people so that no matter how they may differ in their outlook they may live at peace with their neighbours and cooperate to achieve the happy realization of our common hopes and wishes.

Mr. EDMOND G. ODETTE (East Essex): Mr. Speaker, before I entered the portals of this house I used to marvel at the arguments of hon. gentlemen opposite in criticizing the budget brought down by the present Minister of Finance (Mr. Robb). This year I have marvelled anew at the contentions of hon. gentlemen opposite, particularly those on the front benches, who have undertaken to criticize the budget we are now considering. For instance the hon. member for St. Lawrence-St. George (Mr. Cahan), criticized the head of the Canadian National Railways. That hon. gentleman is an outstanding member of the legal profession, an ornament to the Canadian bar. Nevertheless he undertook to delve into the realms of railroad administration. Then there was the hon. member for Fort William, a soldier of renown, who criticized the department charged with the re-establishment of returned soldiers on the ground of increased expenditure. The same hon. member, who is a physician of distinction, and who saw service overseas, attempted to make a diagnosis of the ills of the automobile industry. We thus had two professional gentlemen criticizing the administration of public business in channels foreign to those with which they are supposed to be familiar. Finally one of the Toronto members, an outstanding business man, while engaged in the criticism of the budget, entered upon a consideration of the restaurant business.

Mr. CHAPLIN: It sounded pretty bad too.

Mr. ODETTE: I shall have a word to say to the ex-minister from Lincoln before I conclude. The argument has been advanced by hon. gentlemen opposite that there is no surplus, and that our debt has not been reduced. These contentions were dealt with very effectively yesterday by the hon. Minister of Railways and Canals (Mr. Dunning). Now, in business, we are interested in quick results and tangible assets. Not one member opposite stated that the surplus of $55,000,000 did not

exist. Well, it is a fact that that surplus does exist, and the estimates brought down cover appropriations to the extent of only $7,000,000 more than last year. Any school boy with a rudimentary knowledge of arithmetic can see, in the face of existing conditions, that this country is in a pretty healthy condition.

We find the hon. member for Fort William criticizing the government for appointing commissions and the hon. member for South Cape Breton (Mr. MacDonald) asking the government to appoint another commission to study unemployment in his county. How is the government going to please hon. gentlemen opposite when one of them asks for a reduction in the number of commissions and criticizes them for appointing such bodies at all, and another gentleman on the same side asks for the appointment of still another commission with respect to his own district?

The hon. member for Fort William took credit to himself for uttering a "destructive" speech, as he called it. I may say that as a new member I am amazed that any member of the Canadian parliament would take credit to himself for uttering a destructive speech. I want to tell the hon. member that the people of Canada would be inclined to consider his speech humorous rather than destructive.

Mr. MANION: The only way to deal with this government is humorously.

Mr. ODETTE: I regret very much the hon. member for South Essex (Mr. Gott) was not in his seat when the hon. member for Fort William quoted the lines "Me and Gott."

Mr. GOTT: What does the hon. gentleman mean to be inferred from that?

Mr. ODETTE: The hon. member for South Essex was not in the house or he would know the inference.

Mr. GOTT: What inference does he wish to draw?

Mr. ODETTE: The hon. member for Fort William—

Mr. GOTT: I should like to have that retracted, Mr. Speaker.

Mr. ODETTE: I will answer the hon. member for South Essex. The hon. member for Fort William in his speech the other night—

Mr. GOTT: That is not the point at all. What is the inference?

Mr. ODETTE: I appeal to you, Mr. Speaker. I will tell the hon. gentleman the inference later on.

Mr. GOTT: That is an insult to the intelligence of this house. I ask that the remark be retracted.

Mr. SPEAKER (Mr. Marcil): Unless the hon. gentleman wants to rise to a point of order, he cannot interrupt now.

Mr. GOTT: I want to know from the hon. member for East Essex what inference he wishes the house to draw from his remark.

Mr. ODETTE: The hon. member for South Essex can draw his own inference.

Mr. GOTT: I rise to a point of order. I demand that this remark be withdrawn.

Mr. SPEAKER (Mr. Marcil): I do not think there is any point of order.

Mr. GOTT: What right has the hon. member to ask this house to draw an inference?

Mr. ODETTE: If it will appease the hon. member for South Essex, I want to say that I think the hon. member for Fort William can disabuse his mind if he thinks that I have anything but the kindest feelings for both of my hon. friends.

Mr. GOTT: The hon. gentleman has no desire to answer the question I ask.

Mr. ODETTE: I appeal to you, Mr. Speaker; all my time will be taken up with interruptions from the hon. member for South Essex.

Mr. GOTT: The hon member for East Essex will not use nearly all his time, have no fear.

Mr. ODETTE: The hon. member for Fort William was particularly concerned in regard to the motor car industry and he quoted statistics proving, I imagine to his satisfaction, that the motor car industry in Canada was not in a healthy condition. Not wishing to have happen to me what happened to the hon. member for South Perth (Mr. Sanderson) when the hon. member for Fort William appealed to the chair, I will recall to the recollection of the house the figures quoted by the hon. member for Fort William and the words used by the hon. member for St. Lawrence-St. George and I will say they were the truth but not the whole truth. The hon. member for Fort William stated that motor car production in Canada had decreased by 13 per cent. That is true. He stated that the export of motor cars from Canada had decreased by 23 per cent. That is true. He further stated that the importation of motor cars into Canada had increased by 28 per cent. That is true. The production of motor cars in Canada decreased during the last year

for one reason and one reason only. The largest manufacturer of motor cars in the British Empire, the Ford Motor Company, was engaged in the gigantic task of bringing out an entirely new model and for nine months of last year the factory did not produce a single new car. Therefore, when we study these figures and when I tell the house that the production of the Ford Motor Company in 1926 amounted to over 50 per cent of the entire motor car production in Canada; that the Ford Motor Company produced more than all the other manufacturers combined, it will be realized that this apparent decrease of 13 per cent is really an increase on the part of the other motor car manufacturers of Canada. The decrease in exportation of cars is explained in the same way. More than 50 per cent of the production of the Ford Motor Company is for export and, consequently, if they were not producing cars, the exportation of cars from Canada naturally slumped. The increased importation of cars is explained likewise. Canadian purchasers of motor cars, being unable to purchase Ford motor cars, purchased cheaper cars made in the United States and brought them here.

The motor car industry at the present moment seems to be in very good shape. The Ford Motor Company is increasing its production daily and of course is increasing the number of men employed by it. General Motors last year spent nearly $2,000,000 in factory extensions in the city of Oshawa, and may I say to the hon. member for Lincoln (Mr. Chaplin) that the General Motors plant located in the city of Walkerville is now in operation. I was twitted last year and asked why this plant was idle. May I ease his mind by telling him that the plant is now in operation and employing several hundred men? May I ease the mind of the hon. member for Southeast Grey (Miss Macphail) who recently paid a visit to my constituency? She said that hundreds of men were standing without the gates of the General Motors plant looking for employment and hoping and praying that the plant would start operations.

Miss MACPHAIL: I do not think I used the word "pray."

Mr. ODETTE: At all events they were looking for work. That plant is now in operation and those several hundred men, I imagine, are employed, because I hold in my hand a statement prepared by the Border Cities chambers of commerce which says that employment last week in the border cities was 474 greater than it was the week previous. Therefore I imagine those men have found employment. The Chrysler Motor Car Company in Windsor is engaged at the present time in building new factory additions runnning well over a million dollars. In the city of Toronto the Willys-Overland Company are spending over a million dollars in new factory buildings to build motor cars in Canada. In the town from which I come, a concern engaged in the production of motor car parts has just recently completed a new factory costing between $200,000 and $250,000 to make motor car parts for Canadian cars. Let me relieve the mind of the hon. member for Fort William by quoting a statement by Mr. R. S. McLaughlin, president of General Motors, in regard to the automobile industry in Canada. This is what he said between Christmas of 1927 and the New Year in an annual review prepared by the Montreal Gazette:

> Important steps were taken during 1927 to increase the content of Canadian labour and materials in cars fabricated in this country. Contracts involving millions of dollars for parts and materials were let for the first time in Canada. In 1926 it was said that 100,000 persons in the Dominion were dependent on the automotive and allied industries. In 1928 it is probable that there will be half again as many, exclusive of the thousands who are involved in the sale and servicing of cars through dealer organizations from coast to coast. There seems little doubt that the coming year will be notable not only for the passing of the million mark in automobile registrations but for the setting up of new records of production in the automotive industry in the Dominion.

I think the people of Canada will be more inclined to accept the opinion of R. S. McLaughlin than that of the hon. member for Fort William.

Mr. MANION: Might I inform my hon. friend that it was not my opinion, but the opinion of the Department of Trade and Commerce of this government. That is what I quoted.

Mr. ODETTE: I have disseminated what I think is the whole truth.

Mr. MANION: Instruct the minister.

Mr. ODETTE: The minister is not in the motor car business, and I am, and probably I know the conditions existing in that industry. The hon. member for Fort William (Mr. Manion) spoke of hotels being built throughout Canada to house foreign agents.

Mr. MANION: I did not say that at all. Someone else may have, but I did not mention hotels.

Mr. ODETTE: I am sorry, but the statement was made by some hon. gentleman opposite. Let me say that in Windsor, hotels are being built, and apartment houses, and not to house foreign agents. If hon. gentle-

men would look closer, they would find that these foreign agents are tourists who have come over to Canada to visit this country, and they have not come here with any idea of robbing us, but rather to leave in this country many millions of dollars. Not only are hotels and apartment houses being built in Windsor and the border cities, but a large ramp garage is being erected there, and a large storage warehouse. A factory manufacturing electric refrigerators has also started in the border cities. A concern manufacturing golf balls is also starting there. Tobacco factories are being erected in the district from which I come.

Mr. GOTT: How many tobacco factories?

Mr. ODETTE: We will say a tobacco factory. A concern to manufacture aeroplanes was organized last week in the border cities.

Mr. GOTT: Don't forget the new post office at Windsor.

Mr. ODETTE: I hope the members in the southeast corner of the house will not deem the district I represent ungodly when I tell them that a large factory to manufacture playing cards was completed there a week ago, and again with a fear of having my district called ungodly—

Miss MACPHAIL: Do we look as righteous as that?

Mr. ODETTE: I hope not. A brewery has recently started in operation, and may I ask the hon. member for Fort William kindly to remember them when his commission is placing orders. Last but not least the Canadian Steel Corporation, the Canadian branch of the United States Steel Corporation, have started the production of steel in two large factories in Ojibway.

Mr. HEAPS: Do they want protection?

Mr. ODETTE: I do not know that anyone representing that company has been here making representations of any kind. In any event, they have announced that they are starting their plants in Ojibway and will manufacture steel in Canada.

Mr. GOTT: That was years ago.

Mr. ODETTE: Would hon. gentlemen opposite have the people in my district start woollen mills? The industries that I have enumerated are actually in operation or about to commence operations. Would you have us build woollen mills when in 1926 the American Woollen Company, of the United States, the largest manufacturers of woollen goods on this continent, lost $12,000,000 in one year?

Concern has been expressed by hon. gentlemen opposite that the reduction in the sales tax will not be passed on to the consumer. Last year when I spoke, the hon. member for Rosetown (Mr. Evans) questioned whether the tax reduction on matches would be passed on to the consumer. I ask any hon. member if it is not a fact that matches are cheaper in Canada to-day than they were a year ago. I believe that the reduction in the sales tax will be passed on to the consumer, probably not in the case of an article costing ten or twenty-five cents, but let me call the attention of the house to this fact, that a motor car at a wholesale list price of $1,000 can be purchased in the city of Ottawa to-day ten dollars cheaper than it could be bought before the budget was brought down. It has been suggested, and I believe it is proposed in the amendment, that the sales tax should be removed in its entirety. Last year when I spoke on the floor of this house I advocated that the sales tax be entirely removed. Some hon. member may ask, why was it not removed? It was not removed for good and sufficient reasons. The wholesalers and retailers of Canada have their shelves stocked with goods, and if the sales tax were suddenly removed, they would sustain a loss. I want to say, however, that I believe the sales tax will be entirely removed and will be in the limbo of forgotten things before hon. gentlemen opposite ever occupy these benches.

The district from which I come has I think received this budget rather well. My own particular district of East Essex seems to approve generally of this budget, and I think my constituency is fairly representative of the country.

Mr. GOTT: Would the hon. gentleman permit a question? He has referred at least a dozen times to "my constituency." I wish to tell him that he has only a lease on that constituency; it is not his.

Mr. ODETTE: Probably I have a longer lease on mine than the hon. member for South Essex (Mr. Gott) has on his.

Mr. GOTT: The hon. member for East Essex is not sincere in that remark.

Mr. ODETTE: I repeat, Mr. Speaker, that the budget has been well received in East Essex, and I think that East Essex is quite representative of Canada. It is largely industrial and agricultural.

We have heard a great deal of criticism of the budget, but very little has been of a constructive nature. In the district from which I come may I say that politics are forgotten as soon as the elections are over and religion never enters into the picture at

all. The farmer and the manufacturer get along hand in hand; I think the hon. member for South Essex will bear me out in that.

Mr. GOTT: That is the first real remark you have made to-day.

Mr. ODETTE: I am sorry the hon. member for East Toronto (Mr. Ryckman) is not in his seat. I would not enter into a discussion with him as to the management of restaurants, but probably all members of this house are not aware of the fact that the hon. member for East Toronto is president of one of the largest rubber manufacturing companies in this country, and his industry was complimented by the Minister of Trade and Commerce (Mr. Malcolm) for not taking full advantage of the tariff, for not hiding behind the tariff. That is a most commendable thing, but why should not his company sell their tires for eight or ten per cent above the American price when crude rubber and raw cotton enter Canada free? The hon. member to whom I refer is president of the Dunlop Tire and Rubber Company. May I quote the remarks of another gentleman engaged in the rubber business, Mr. F. A. Seiberling, who has been a leader in the rubber industry of the world for the past twenty-five years. Mr. Seiberling has recently organized a company in Canada, and this is what he has to say regarding Canada's new technique of living:

> A short time ago I had the privilege of taking part in the organization of the Seiberling Rubber Company of Canada, and of experiencing the friendliness of a Canadian welcome to a new enterprise.
>
> I had an opportunity to study Canadian life at close range, and to compare my present observations with impressions gained upon a previous visit some years ago.
>
> It seems to me that something has happened to Canadian people—something I can only describe as a new technique of living. They work harder and play more intensely, travel faster, live a fuller, richer life than ever before.
>
> Perhaps all this is due to the fact that life in general is moving at a faster pace. It may be the natural reaction to a national feeling of optimism that comes from good crops, greater industrial developments, enviable achievements in the mining world.
>
> Perhaps it is the result of living in an atmosphere of prosperity pointing to a decidedly promising future.
>
> Whatever is the cause, wherever lie the reasons, Canada gives to visitors a profound impression of cheerfulness, enterprise and lusty, vigorous growth—an impression that is winning for her the pronounced respect and interest of the whole world.

Will hon. members please compare those remarks with the remarks of another leader in the rubber industry, the hon. member for East Toronto (Mr. Ryckman).

[Mr. Odette.]

During the course of this debate we have heard a great deal about the ills of Canada, and I think something should be said as to how we can cure some of them. In my opinion the main requisite is cooperation. The hon. member for East Lambton (Mr. Fansher) who moved the subamendment desires, I imagine, to do what he can for the Dominion generally, and particularly for his constituents. Might I ask him what part he has played in connection with the troubles of the tobacco growers in southwestern Ontario? Members of parliament representing ridings in southwestern Ontario, regardless of their political affiliations, are working hand in hand to assist the tobacco growers to market an unsold crop of nine or ten million pounds of tobacco. The hon. member for East Lambton was notified of meetings to be held for the purpose of finding a solution of these troubles. Members on this side representing West Elgin (Mr. Hepburn) and Kent (Mr. Rutherford), and members on the Conservative side—the hon. member for South Essex (Mr. Gott) the hon. member for West Essex (Mr. Robinson) and myself—joined hands in the effort to solve the problem, with the result that the Ontario tobacco pool, a cooperative marketing organization, was formed. Just to show hon. members in the southeast corner that all manufacturers are not brigands, I hold in my hand a letter from a farmer in Essex county, a director of the new pool, urging me to be present at a meeting of the pool. These are his words:

> We must have you present, for in this district you are considered the father of the tobacco pool.

Miss MACPHAIL: That farmer would not be a Liberal?

Mr. ODETTE: I do not think so.

Miss MACPHAIL: It sounds like one.

Mr. ODETTE: Well, probably all the farmers down there are Liberals. What I mean to imply is this: I do believe that the manufacturers and business men generally should cooperate with the farmers of this country, because after all if our farmers are not prosperous the wheels of our factories are not turning. I would ask hon. members to visit Essex county. I am satisfied they would find what I state to be true. We do believe in cooperation, we do believe in unity. We have heard a lot about national and racial unity. Let me make a plea for occupational or vocational unity. In the part of the country that I come from the Border Cities chamber of commerce is working in the closest cooperation with the Farm Bureau

of Essex county. We recognize no race distinction, no distinction of creed, no distinction of vocation in Essex county; and I trust that that feeling will pervade the entire Dominion. I believe that if we had more of the spirit of cooperation not only in this house but throughout the whole country Canada would be much better off.

In conclusion, Mr. Speaker, may I say that the budget brought down by the hon. Minister of Finance was well received in my district. I believe it was well received throughout the Dominion. May I say to him that if in the succeeding years of the life of this parliament he brings down similar budgets providing for lower and lower taxation, I do not think that hon gentlemen opposite need get ready to move over here for some time to come.

Mr. ECCLES J. GOTT (South Essex): Mr. Speaker, when the hon. member for East Essex (Mr. Odette), in the course of his speech was complaining of not having enough time, I ventured to interrupt and tell him that I did not think he would consume his full forty minutes. I did so because I know him so well—I know how he is inclined to exaggerate.

My first remark in reply to the hon. gentleman, significant though it may be, is the result of the inference that I draw from his words. I tell him that I am not a traitor to tradition, and I think his speech this afternoon is his first preparation for hangman's day.

Mr. SPEAKER: I hope that is not to be taken literally.

Mr. GOTT: That is the inference I draw from my hon. friend's speech, and at any time I can convey it to him privately, but he well knows what I mean. The budget speech of the Minister of Finance (Mr. Robb), has caused me keen disappointment, due to the fact that the government has failed to take cognizance of, or even to recognize, the most alarming and unfortunate condition that has ever faced the agricultural industry of western Ontario. Although in possession of firsthand knowledge of the deplorable and pitiable circumstances that surround the tobacco growing industry in western Ontario, the government has failed to take action. The Minister of Agriculture (Mr. Motherwell) made two personal visits to the tobacco growing section; his deputy, Dr. Grisdale, made three or more visits, and they recognized instantly the appalling situation that confronts our tobacco growers of that section, and more particularly those in the riding that I have the honour to represent. They were privileged to meet in the city of Chatham five thousand tobacco growers clamouring for assistance. The main meeting held in the theatre was made up of nearly two thousand men, while the overflow meeting in the armouries filled the building to capacity. I do not want to charge the Minister of Agriculture with being insincere—I hold him in too high esteem and regard him as being too sincere to suggest that he and other hon. members opposite would seek to strengthen their political standing through the misfortunes of others. But I do hope that if the time ever comes during my term as a servant of the people that my success depends upon the misfortunes of others I will go down to ignominious defeat.

Mr. HEPBURN: Explain.

Mr. GOTT: I will explain something later to the hon. member for East Elgin.

Mr. HEPBURN: Mr. Speaker, there is no member for East Elgin; there is no such constituency.

Mr. GOTT: I am very glad to answer any questions, but in making his interjection the hon. member did not act properly. He did not rise to make it.

Mr. HEPBURN: Where is the hon. member for East Elgin?

Mr. GOTT: Pardon me if I misname the hon. gentleman's constituency. Is Elgin correct?

Mr. HEPBURN: No; the hon. member is not right yet. His geography is wrong; it is West Elgin.

Mr. GOTT: The question is one that should not be tainted with party politics, and I am disappointed that hon. members on the government benches—

Mr. McMILLAN: I rise to a point of order.

An hon. MEMBER: Shut up.

Mr. SPEAKER: What is the point of order?

Mr. McMILLAN: The hon. gentleman is reading his speech.

Mr. GOTT: The question is one that should not be tainted with party politics, and I am disappointed that hon. members on the government benches, who took such an active part in the tobacco campaign in western Ontario, did not accept the opportunity of drawing forcibly to the attention of this parliament the true condition. I say the true condition, for I believe that had these hon. gentlemen supported me, as I had hoped they would,

when they had an opportunity on the speech from the throne, such a strong plea could have been presented as would have compelled the hon. the Minister of Finance to recognize our just recommendations.

I ask the hon. member for Kent (Mr. Rutherford); I ask the hon. member for West Elgin (Mr. Hepburn); I ask the hon. member for Norfolk-Elgin (Mr. Taylor); and I ask the hon. member for East Essex (Mr. Odette): How can they justify to their constituents, for whom their hearts bled but two short months ago—how can they justify their silence in this parliament? Was there nothing that the government could do? Was there nothing that the government should do? Apparently my presentation of the situation did not meet with the approval of these hon. gentlemen, and I realized that being in the opposition my effort was wasted unless I could stir the representatives of the tobacco growing constituencies either to support or to oppose my recommendations. But not a word. They were loud and outspoken on the hustings, but in parliament, where consideration could be given and remedies applied, they at once became disinterested representatives.

Now let me ask these hon. gentlemen whether they approve or disapprove of the recommendations that I made to the government? Or were they interested enough in the problem to read my remarks? Let me ask them to give an expression one way or the other on the three recommendations that I made:

1. A more extensive cooperative marketing system;

2. A reduction of the excise tax on cigars and cigarettes;

3. A higher duty on flue cured and other tobacco entering Canada from foreign countries.

These are the three major factors that enter into the solution of our tobacco problem. I asked for these conscientiously believing that each and every one was paramount to the solution of our troubles.

The excise on cigarettes is enormous—so excessive that we are sending hundreds of thousands of dollars annually to turn the wheels of industry in a foreign country, and bootlegging in cigarettes is flourishing. The manufacturer loses, the grower loses, the labourer loses, and our money goes out of the country never to return; and our laws force the average cigarette smoker at the border to hold our customs laws in contempt. Newspapers have contained articles from time to time on the desire of our Canadian authorities to cooperate with the United States government—through certain exports—which would facilitate better law enforcement in the United States. Let me say to our authorities that we can obtain something in return for this extension if we ask it. We could ask that concessions be extended on an equal basis, and thereby we might be able to ascertain who the Canadians are that make such huge purchases of cigarettes in the city of Detroit and elsewhere. We might also be able to obtain from the large department stores information as to who are their best Canadian customers, and the extent of their purchases. Department stores in Detroit have dressing rooms, not especially for Canadians, but practically for them, in which Canadian women, and prominent Canadian women too, change or conceal their newly purchased garments in preparation for the contravention of the Canadian Customs laws, which follows Canadian purchases in American cities.

Getting back to the "bubble" budget—a budget that seems to have had Nero as the fiddler while Rome burned, a budget wherein I fail to see a provision that is of material assistance to any section of Canada—I would ask the Minister of Finance whether he is in any sense governed by the recommendations of the tariff board and if so, to what extent? Did the tariff board recommend a reduction in excise on cigars or cigarettes? Did the tariff board recommend a seasonal tariff on fruits and vegetables? If so, why was the minister not governed by the recommendation of the board? The board had volumes of evidence to substantiate the institution of a reasonable and seasonal tariff on fruits and vegetables. If the board did not make the recommendation, then I say that in view of the solicitation they had, and the evidence that was placed before them, they are an expensive and useless instrument and should be discharged. If the board did not recommend a reduction in excise on cigars and cigarettes, then, Mr. Speaker, I desire to repeat that, in view of the representations they had, they are useless and expensive, and harmful to some of the better interests of our great Dominion.

As regards tobacco products, I quote from the Canada Year Book:

Re: Tobacco Products

1901

Per capita consumption of tobacco: 2.375 pounds.
Per capita taxation on tobacco: $0.86.4.
Taxation per pound per capita: $0.36.4.

1926

Per capita consumption of tobacco: 3.468 pounds.
Per capita taxation on tobacco: $3.11.8.
Taxation per pound per capita: $0.90.2.

Increase, 1901 to 1926 in tobacco taxation per pound per capita: $0.53.8, which is 148 per cent increase.

We therefore find:

Tax increase on liquors, per gallon per capita: 53 per cent.
Tax increase on tobacco, per pound per capita: 148 per cent.

Hence the consumer of tobacco has been severely penalized, and the time has come when, if the tobacco industry is to survive, the government must give some relief in the form of reduced taxation; otherwise the government must admit that they care but little for one of the largest industries in the Dominion of Canada. I will submit statistics to prove the size of the manufacturing section of the industry, and try to impress upon the Finance minister, if such a thing is possible, the handicap under which they operate as regards imposts levied and maintained by our Dominion government, from which the Finance minister has no desire to grant them any relief at the most critical time in their existence.

A spirit of optimism apparently prevailed in the fall of 1927, and the Canadian Cigar and Tobacco Journal, published in Toronto, contained in its October number the glaring headlines:

Cigar Industry Gains Receptive Hearing in Ottawa and Hopes Run High.

The only fault I find with that headline is that the word "receptive" probably should have been "deceptive." The article is as follows:

Hopes now are higher than at any time in recent years for a reduction in cigar taxation which will be sufficiently substantial to reduce prices and increase consumption.

Taking their case for the first time to the new tariff board on Tuesday, September 20, the cigar manufacturers laid before that body a brief which quite evidently won its sympathy. It was in some respects the most elaborate brief which they have yet prepared and possibly the most elaborate the new board has received. Statistics obtained from a variety of sources have been compiled by Mr. C. S. Richardson into a convincing statement of the cigar manufacturers' case; short, pointed, logical yet complete in every respect.

The brief itself and the drafts which accompanied it are reproduced just as presented on the following five pages of this issue. One little detail which indicated the care taken to make their case impressive is the fact that the applicants went to the expense of having the brief set up in type and printed, giving an ample and readable supply, not only for members and officials of the board, but for members of the customs and finance staffs as well as for press representatives.

So complete was the brief that practically nothing in the way of supplementary oral evidence was needed. A general discussion followed which had more to do with ways and means that with information.

This is too lengthy to quote further.

Canada's cigar industry is back to a production basis of a quarter century ago; factories are reduced in number by sixty per cent; trade is staggering under economic burdens which react adversely to the government and its revenue. This, in brief, is a picture of present day conditions in the cigar business in Canada. By itself, the cigar industry is not a dying one, yet it is being slowly strangled by conditions beyond its control, conditions which had their being in 1914 when war time levies were imposed on it for war taxation purposes, levies which have been added to and continued to the present. The proper readjustment of these duties will afford a great measure of relief to the entire industry from grower to manufacturer, without seriously lessening the revenue derived by the government. The schedule proposed by the manufacturers, while not drastic, affords some measure of relief and should go a long way in the rehabilitation of the industry.

A word picture of present day conditions has been presented, and a relief measure likewise has been brought forward for consideration. High lights of the dual presentation tell their own story and bring their own answer. On one hand we have "more than 42 per cent reduction since war tax imposed." There were 253 cigar factories in 1913 and 106 in 1927. and Canadians are smoking only one-quarter as many cigars per capita as Americans. Scores of old cigar firms have been eliminated from business and government revenues seriously curtailed. On the other side, we find United States duties cut in half in 1926, with 500,000,000 increase in production in the first year of the new United States taxes. There was a 50 per cent cut in American duties with a reduction of only 11 per cent in revenue, and Canadian leaf growers are benefiting by the lower taxes.

This is a precedent to support the claim of the cigar manufacturers for lower taxes, and there are records to substantiate their contentions. The United States, like Canada, sought to bolster revenue returns by increasing its duty on cigars, but notwithstanding the comparatively favourable condition of the trade in the United States, the war time levies throttled not only the industry but actually the government revenue. The United States gave relief by a 50 per cent cut in 1926, and to-day the big bulk of the cigars consumed in the United States are taxed at a lower rate per thousand than they were fifteen years ago.

With this as a precedent, Mr. Speaker, and with uncontrovertible figures of the Inland Revenue department showing a drop from

294,772,000 in 1913 to 173,912,000 in 1927 to back their claim they have confidently placed before the tariff board a long list of requests, all of which are reasonable. I am unable to put them on Hansard; I have not time to read into the record, but they are contained in the brief, given to that wonderful body, the tariff board.

Since the opening of the present century the cigar production of Canada has shown a tremendous fluctuation having gone from 141,000,000 in 1901 to the high level of 294,000,000 and back to 166,000,000. The production has been:

1901	141,096,000
1902	151,780,000
1903	168,290,000
1904	180,485,000
1905	186,110,000
1906	193,827,000
1907	154,253,000
1908	200,133,000
1909	192,105,000
1910	205,820,000
1911	227,585,000
1912	252,718,000
1913	294,772,000
1914	288,220,000
1915	236,867,000
1916	207,648,000
1917	239,752,000
1918	254,446,000
1919	223,295,000
1920	270,108,000
1921	214,263,000
1922	176,983,000
1923	182,677,000
1924	195,662,000
1925	166,851,000
1926	173,477,000
1927	173,912,000

In 1914, immediately following the entry of Canada into the world war, the first increase in duties was imposed. It was a $1 increase on the previous tax of $2 per thousand. For three years that remained, but in 1917 the duty was doubled to $6 per thousand. This, too, was a direct war measure, specified as such and imposed as such. In the budget of 1922 the excise duty was reduced again to $3 per thousand, but the surcharges of excise tax now in force were then imposed. Now everything but the five cent cigars—those which sell to the trade under $40 per thousand—pays a tax even higher than before on account of the sales tax provision, which has been levied in its varied amounts against the duty-paid price of the cigars.

That wonderful responsibility-dodger, the tariff board, also heard the request of the cigarette manufacturers for a decrease in taxes, and a decrease in taxation is the only answer to the smuggling of American cigarettes. It is a question of whether Canada wants to help its retailers earn legitimate profits or whether it prefers to make law breakers out of peaceful citizens. It is certainly doing the latter; thousands of Canadian women as well as men, girls as well as boys, have deliberately defrauded our customs department of duties on smuggled cigarettes. It is being done every day, at every port, and without very much inconvenience to anyone except the Canadian retailer. He is making hardly any money on Canadian cigarettes, and he is losing money on the smuggled United States product.

Canada's merchant marine competes with steamers of other countries on a price basis, and every effort is made to bring down the price in order to get the business. The same principle should be applied in all departments; we should not force on one department the burdens and inefficiency of others. But that will be the state of affairs so long as taxation forces prices in a home country to be so high above the prices of another country that the cigarettes of the latter are preferred, and citizens will wilfully make lawbreakers of themselves in order to obtain them.

Reports of the Dominion Bureau of Statistics show that in 1923 there were 148 factories in Canada employing 8,700 people manufacturing tobacco, the total value of the output being $59,840,010. This represents the total costs of operating the 148 factories reporting:

Merchandise cost of goods:			
Imported raw leaf	$ 9,415,291		
Domestic raw leaf	4,519,690		
All other tobacco	21,236		
Total raw tobacco		$13,956,217	
Other ingredients		816,487	
Total merchandise cost of goods			$14,772,704
Manufacturing costs:			
Salaries	2,956,689		
Wages	4,610,984		
Fuel	135,001		
Miscellaneous	5,982,407		
Total manufacturing costs			13,685,081

Wraps, containers, etc.:		
Lead and tinfoil	276,775	
Cigarette paper, cigar bands	172,854	
Cigar boxes	540,311	
Shipping cases, etc	319,089	
Boxes, cartons, wraps, labels	766,358	
All other materials	103,387	
Total wraps, labels and containers		3,178,774
Customs and excise:		
Customs on imported leaf	6,208,399	
Excise on domestic leaf	31,181	
Excise on manufactured	322,954	
Excise on smoking tobacco	2,591,017	
Excise on chewing and snuff	1,447,312	
Excise on cigars	915,116	
Excise on cigarettes	13,884,488	
Total customs and excise		25,400,467
Total cost of manufactured tobacco		$57,037,026

The first item in the last group, duty on imported leaf, amounting to $6,208,399, could be eliminated by a higher tariff. There would then be no importation, and our Canadian growers would produce the leaf.

Some hon. MEMBERS: Louder.

Mr. GOTT: That is not an intelligent interruption. I am sorry the Liberal members from western Ontario are adopting the attitude they do with respect to such a very serious question as this.

Mr. HEPBURN: What was the interruption?

Mr. GOTT: I did not hear it; it was not audible.

Mr. HEPBURN: Then what are you complaining about?

An hon. MEMBER: It was not even sensible.

Mr. GOTT: My hon. friend sitting near me suggests that it was not even sensible. Continuing my subject may I say that the amount of capital invested in the industry is given as $44,348,333. Of this only $8,213,094 was in fixed assets such as land, buildings, fixtures, machinery and tools. The balance, $36,133,239, was in materials on hand, stocks in process, cash, and trading and operating accounts.

Some idea of the cost of the raw leaf to the factories and of the prices received for the manufactured product is shown by the following quotations of the 1925 business:

	Lbs. used	Price paid	Price per lb.
Imported raw leaf	15,234,855	$ 9,415,291	61.8 cents
Domestic raw leaf	15,259,693	4,519,690	29.6 cents
	30,494,548		

Products	Lbs. manufactured	Value	Value per lb.
Chewing—plug	5,707,632	$ 5,711,878	$1.0007
Chewing—other	356,671	372,372	
Smoking—plug	3,134,342	3,393,820	1.0827
Smoking—package	11,247,195	13,595,674	1.2088
Smoking—twist	55,348	27,248	.4923
Smoking—leaf	4,015,006	1,272,575	.3169
Smoking—other	19,000	7,760	.4084
Snuff	724,429	872,985	1.2050
Cigars (number)	174,286,000	10,442,351	.0599 each
Cigarettes (number)	2,079,036,000	23,964,031	.0115 each
Stems and cuttings		25,425	
All other products		153,891	
Total		59,840,010	

The values just given are, of course, factory values. The price to the consumer would include these values plus the cost of distribution through the wholesale and retail trades. The per capita consumption of tobacco in Canada is given by the Canada Year Book as 3.12 pounds.

As shown by the figures which I have quoted, the cost of manufacturing tobacco in Canada for 1923 was $57,037,026, the cus-

toms and excise taxes on tobacco collected from manufacturers in that year being $25,400,467 and on cigarettes alone, $13,884,488. This does not take into account the manufactured tobacco products imported.

There were 2,079,036,000 cigarettes manufactured in Canada during the 12 months of 1925. During the same period it has been estimated that 750,000,000 cigarettes were smuggled into Canada from the United States. This computation is not authoritative, merely an estimate by one who claims to have some inside information. There is no way to determine definitely the illegal consumption of cigarettes in Canada. The following are the import duties on tobacco entering Canada:

(Import Duties on Tobacco Entering Canada)

Duty on raw leaf unstemmed, 40 cents per pound.

Duty on cigarettes, $4.10 per pound plus 25 per cent of invoice value.

Duty on cigars per pound plus 25 per cent of invoice value.

Duty on smoking tobacco, 95 cents per pound.

Duty on chewing tobacco or plug tobacco, 90 cents per pound.

Duty on snuff, 90 cents per pound.

The excise duties on manufactured tobacco are as follows:

(Excise Duty on Manufactured Tobacco)

On smoking mixtures, 20 cents per pound.

On cigars, $3 per M.

On cigars in boxes of 5-6, $4 per M.

On cigarettes weighing less than 3 pounds per M., $6 per M.

On cigarettes weighing 3 pounds or over per M., $11 per M.

A sales tax of 5 per cent is levied on all tobacco. On the home manufactured product the tax is levied on the wholesale value. On imported manufactured tobacco the 5 per cent tax is levied on the cost of the goods duty paid.

Now, Mr. Speaker, I have given a comprehensive but in no ways detailed account of the tobacco problem in Canada to-day as concerns the manufacturer and others. Time does not permit further detail, but to say the least the whole tobacco question in Canada from the grower to the consumer is deep in the quagmire, and will remain there to the detriment of the best farming section in Canada unless the government acts at once, and that through order in council, now that it has failed completely to make any provision in the budget.

I have outlined during the debate on the speech from the throne and on this "bubble" budget, some of the ills of the farmer, the manufacturer and the consumer, but with proper cooperation from the government all these drawbacks can be overcome.

[Mr. Gott.]

Let me suggest, and sincerely suggest, the following as the proper course to pursue: Keep out the United States raw leaf by a higher duty; increase the output of Canadian cigars by a reduction in excise; keep the Canadian cigarette trade in Canada by a reduction in excise on cigarettes, which would be conducive to the elimination of the cigarette bootlegger and would provide more business for the manufacturer, more work for the labourer and mechanic, and a much increased market for the tobacco grower. If this were done 40,000,000 pounds of Canadian tobacco would be used by the Canadian manufacturers yearly, which is equal to the largest yield ever yet produced in Canada, and our increased production from year to year could be taken to the British market in which we can firmly establish ourselves by the production of a quality of tobacco which has already won and is winning favour in the British market.

I have the honour, Mr. Speaker, to represent in this house a farming community, the most progressive constituency in Canada and the most intensive and diversified farming constituency in Canada, and speaking for the farmers of South Essex, whose very existence depends upon protection and whose progress has been very seriously interfered with by unfair competition through the importation of cheap American produce from the United States, I make a special appeal to the government for fairness and justice to this riding, where farm land values are higher than in any other farming community in Canada, without exception. American produce has been permitted to drive Canadian produce from the market. Our home grown vegetables and fruit stocks are allowed to decay, while our market is supplied from the United States at one-third the duty at which we can supply their market. The loss to Canadian growers amounts to millions of dollars annually and the industry is blighted by unfair competition. The preservation of our market garden industry means increased buying powers to the extent of millions of dollars for large sections of Canadian people, to the ultimate benefit of the entire country, while the consumer as well as the producer will reap the profit, and have the opportunity in many sections of the country to purchase direct from the farmer, eliminating the middleman and having produce fresh from the fields. The farmers of Essex county do not seek to exploit our markets to the detriment of the consumer, but they claim the right to place Canadian vegetables and fruits on the tables of the Canadian consuming public.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GOTT: The state of Ohio has recently presented what is known as a farm relief plan, which was advanced by the Ohio farm bureau federation. The plan seems to have real merit and, in addition to being sponsored by the Ohio farm bureau federation, has the backing of the executive committee of the Ohio state grange. The plan is for giving equality to agriculture. It is claimed:

1. That the plan would give benefits to farmers on crops of which a surplus is produced.
2. That it would discourage over-production.
3. That it would afford protection against competing commodities.
4. That it would not discriminate against some groups of farmers in favour of others.
5. That it would not set up intricate machinery for its operation.
6. That it would encourage cooperative marketing.
7. That it would safeguard the treasury and the cooperatives against loss.

The outline of the plan is as follows—and I would suggest that in the interest of agriculture in our Dominion a study of the newly instituted Ohio plan be made to ascertain its merits:

1. A federal farm board, headed by the secretary of agriculture, to act (in like manner as the federal reserve board) in the stabilization of markets, in general supervision of other boards set up, and to be in charge of federal funds appropriated for marketing purposes.
2. Advisory councils for each commodity, to be selected by the federal farm board, members to be nominated by recognized co-operatives. These councils to find the facts as to each particular commodity and present them to the public and the farmer-grower.
3. Commodity stabilization corporations to be set up for each commodity to centralize control and responsibility. These to be formed from the co-operatives handling the same commodity and be selected by the co-operatives subscribing to the capital stock of the commodity stabilization corporation.
4. $300,000,000 revolving fund; $50,000,000 to be loaned to co-operatives to purchase plants or loaned on physical properties already owned by co-operatives; $250,000,000 to be loaned for the purchase of farm products by the commodity stabilization corporations upon approval of the federal farm bureau.
6. The federal farm board to be required to find the average yearly production of farm commodities of which the United States produces a surplus for export and the estimated production for the current year. The full amount of the debenture to apply only in the crop years in which the surplus is the average or below the average. When the yearly production is estimated by the federal farm board to be above the average, then the debenture to be reduced in proportion that the year's production exceeds the yearly average.
7. All imported agricultural products, which compete with United States agricultural products, either directly or indirectly, to bear a sufficient tariff rate to afford the home product protection, and, at the same time, furnish additional revenues to assist in caring for the debentures issued.
8. A tariff commission, or some other body, to be created, given the duty of finding the estimated added cost, by reason of the application of the debenture, of the production of animal products, and the president to be given power to increase the tariff on these animal products in the proportion as the debenture plan increases their cost of production.

No country, Mr. Speaker, can be built up on free trade or low tariff. Resources cannot be developed; and to be properly developed they must be developed by those most vitally interested and concerned.

Was there ever a time in the history of the world when a certain section of a great country was crying aloud for industrial expansion and development like western Canada is to-day? Huge coal resources of unknown depths await development. It is one of the most fertile and most abundant producing wheat sections in the whole world, producing the finest grade and the finest quality of grade wheat in the world, and millions of bushels leave that great country unground.

The need of the west to-day is immigration. To have immigration we must or should have employment, to have employment we must have industry and if the God-given, ever-abundant resources of western Canada are to be properly developed it will be by and through a network of industrial activities reaching to all sections of that land of opportunity.

Go west, young man—go west. How often have we heard the admonition, but that admonition is not so freely given to-day since free trade proclivities took hold of the people there, which is bound to have, if it has not already had, a disheartening and bad effect on a country so badly in need of industrial expansion as much as any section of any country in the world to-day.

The prosperity that has been enjoyed by the western Canadian people has not come through free trade, tariff tinkering, or a lowering of duties, but by and through a protective policy; and what the west needs to-day, as do all farming communities in Canada, is not the removal of the tariff duties but the implementing of certain duties and protection for the produce of the farm and the product of the farmer's labour.

If the farmer is worth having in Canada, his produce and the product of his labour is worth having, retaining and protecting, with a policy

quite similar in effect to that of our closest competitor, the United States. In 1924, alone $494,349,000 of farm produce and foodstuffs were imported from the United States, and despite this the Canadian farmer is not standing up for his just rights in asking and demanding that these importations, to some extent at least, should cease. These high importations are of produce and foodstuffs which could and would have been produced in Canada had the proper protective policy for the farmer been in operation.

The farmers in Canada, many of them, have taken the wrong view, and it is time that they began to realize that in a protective policy, and in that alone is the only reasonable cure and sure remedy for the serious ills which face them. Heretofore there has been a movement seeking tariff changes, which will wreck the industrial structure of our centres if granted, and which gives not a thought to the proper side of the solution that would revolutionize the most basic industry in our land.

The west is the land of opportunity, a wonderful section of the greatest dominion in the greatest empire the world has ever known, and to the people of that great country I say: Do not be led astray through improper conviction, no matter how attained. Study your economic ends from the viewpoint of a sure, certain and sound progress which will ultimately lead to an industrial expansion, the network of which will make western Canada the livest, busiest and most progressive section of our great Dominion, free from dissension, and content to be and remain the hive of industry that it should be, taking and maintaining its place along with and among the leading industrial, commercial and progressive sections of the British Empire, where coal can be supplied direct and at short haul from the abundant mines of the province of Alberta.

Mr. GROTE STIRLING (Yale): I do not propose at the outset to deal at any length with the tariff proposals except, in passing, to express the acknowledgments of the onion growers for the provisions which will enable them to bring onion plants freely into Canada. The reason why this schedule was applied for was that these minute plants, no thicker than a bristle, are not produced in Canada; they are produced in a warmer climate to the south. They are used in lieu of seed, which seed does come in free, and they are used to plant out a certain number of acres in the onion growing district in the southern valleys of British Columbia with the object that a portion of the tonnage may reach the market early, and so reduce the tonnage which has to come forward at the time of the main crop in September and October.

[Mr. Gott.]

The marketing of our perishable products continues to be the greatest problem. Some progress has been made of recent years, but until that difficulty is surmounted it will not be possible for the producer really to earn a decent living, nor can that development which has taken place be extended lucratively. It is no longer a question of whether these fruits and vegetables can be grown in southern British Columbia; for that has been demonstrated at provincial, dominion and imperial exhibitions. It has even been demonstrated on more than one occasion that the premier dessert apple of the whole British Empire is grown in that country. But the difficulties are not yet all surmounted. Under the co-operative movement, progress was made, but from the very fact that the cooperative movement received a considerable amount of support, and that the smaller amount of crop to be sold was handled by the independent shippers, an unfair share of the difficulties of marketing remained with the cooperative shippers. Let me illustrate.

British Columbia has always looked upon the three prairie provinces as its domestic market, and it has been the attempt of each of the independent shippers, although marketing but a very small fraction of the total crop, to get rid of their produce in that market rather than have to bear their share of the export market. Our apples, for instance, have to go west to the Pacific cost, round by sea through the Panama, and thence to the European markets, where they come into competition with the apples from the three western states on the Pacific coast. That area where the fruit grows in Washington, Idaho, and Oregon is but a continuation in the United States of the similar area in British Columbia. They produce seven times what we produce and our apples have to compete in the open export markets of Europe with theirs. As a consequenece, the independent shipper, each marketing so small a quantity, was more than often successful in getting rid of that quantity on the more lucrative prairie market, leaving an altogether unfair burden on the co-operatives with the amount they had to market.

Progress was made also by means of round table conferences between the cooperative shippers and the independent shippers, but the agreements so arrived at always fell down on one point, and that was that there was no means of enforcing the arrangements arrived at. However, in 1925 and 1926 there was harmonious working between the co-operatives and the more responsible of the independents, but no sooner had orderly marketing arrangements been made in the domestic market than

some independent within the independents, some grower-shipper marketing but two or three cars, or, worse still, several small shippers marketing small quantities, would send their cars rolling into those markets in regard to which arrangements had been made in an orderly fashion, and chaos resulted. An attempt would be made by telegraph to cut off those rolling cars, to deflect them perhaps to Swift Current or north to Edmonton, but in each of those centres of marketing there was an adequate quantity of fruit coming forward, and chaos followed there also. I think it is quite evident that the only possible mode of success is through orderly marketing. Chaotic marketing never produced any good for any part of the industry, and the trouble almost invariably was that when waste occurred it had to be borne by the producer.

Last winter another scheme was tried. I want to refer to this new plan at short length, because although it has not primary connection with this parliament, it has secondary connection, and it has received a certain amount of criticism, some of which I consider as being founded on a lack of knowledge. A federation of shippers was formed under an act of the British Columbia legislature. The act was not a government measure; the bill was put forward by a private member; it received a good deal of attention; was hammered into shape in the legislature, and was finally passed by a considerable majority. It was a very good thing, I think, that the attempt to include in the measure other kinds of produce, such as milk, was not entertained. This new scheme was the result of work among the fruit growers in the Okanagan valley, and I think it would have been a great pity if other perishable products had been brought within the scope of the act, which of course was of an experimental nature.

The federation of shippers appoints two members to a committee of direction of three, one representing the co-operative movement, the other representing the independent shippers, and the third, who is also its chairman, is appointed by the provincial government. In the few minutes at my disposal there is not time to go in detail into this measure, but I will define the chief functions of the committee under three heads. In the first place, the committee of direction issues licenses to shippers of fruits and vegetables within its prescribed area without which no shipper may ship; in the second place, the committee directs the distribution of the crops; in the third place, after the most careful examination it announces at what minimum price each variety and grade of fruit or vegetable shall start on the market.

Now, it is evident that before the committee can form an opinion as to these matters it must do a very considerable amount of work, and I think that undobtedly the main credit for whatever success has been attained in the first year of the committee's operations is due to the Hon. F. M. Black, at one time provincial treasurer of Manitoba, selected by the government of British Columbia to act as chairman. He and his colleagues entered an empty office—empty except for furniture, paper and ink—in Kelowna on May 31, 1927. They there and then prepared their plans to create the machinery under which the committee should operate and endeavour to instil some degree of confidence into the whole industry—the producer, the broker, the jobber, the retailer and the consumer. They had most carefully to examine the territory from which they were going to draw the produce, and they had also most carefully to consider the markets into which they would direct shipments. They had not only to obtain estimates of the crops, they had continually to revise those estimates week by week and month by month, making such alterations as climatic and other conditions might dictate. So well has that committee of direction functioned in its first year that confidence was immediately present in the mind of the trade.

And this has tended towards orderly marketing. As an illustration of what I mean by that term, let me point out that the committee divided the three prairie provinces into certain marketing centres. Taking Regina as a typical centre, in the districts to which Regina distributes, under the ordinary marketing conditions the idea would be to send in a certain number of cars of, we will say, McIntosh apples in regular rotation. Under the chaotic conditions of previous years, no sooner had such an arrangement been made than an independent shipper or a grower-shipper, or someone else who had not the general good of the industry at heart, would "roll" some extra cars, and everything would be upset. Under the committee of direction such a chaotic condition cannot prevail, because the shipper is told what he may ship and when he may ship it, and the minimum price at which he may sell. It follows that the broker knows what fruit is coming forward, and when the jobber knows definitely the quantity and price he is not afraid to buy ahead, for he knows there will be no fruit rolling in on consignments.

Just exactly what the consumer has paid during the last season compared with prices that prevailed in preceding seasons is extremely difficult to arrive at. I had hoped to

be able to place on record a comparative statement, but the kinds of fruit are so many, the varieties are so diverse, and the quantity of those varieties has fluctuated so much from year to year that I have not found it possible actually to compare one year with another. However, I think I am within the truth in saying that whereas the producer has received a rather better price in the past than in the previous shipping seasons, the consumer in Canada eating British Columbia fruit has not paid more than the average price of the four preceding years.

As further evidence that there was not very much wrong with the price charged, I should like to record the quantity of the British Columbia fruit which has found its way to the other provinces this year. These figures refer to apples only; it would be impossible to include all the other fruits and vegetables in this statement: British Columbia, 264,971 boxes; Alberta, 550,992; Saskatchewan, 693,077; Manitoba, 355,175; Ontario, 177,994; the rest of Canada, 108,250, or a total of 2,150,459 boxes marketed in Canada. There were 596,250 boxes exported, which is about 20 per cent of the total crop. A less quantity had to be exported in 1927-1928 than in a good many of the preceding years, which is all to the advantage of the producer. Some of the criticism which has been levelled at this worthy experiment came from the mouth of the chairman of the Advisory Board on Tariff and Taxation, and one of the pretty strong statements he made was that it did away with competition. Now I do not agree in any sense whatever that it does away with competition. In the first place, had the coöperative movement of past years received the backing of 100 per cent of the growers, or anywhere near it, there would have been just as much control of price under that union as there is under this committee of direction, and I very much doubt whether a coöperative movement amongst one set of farmers would have been described as price control such as would be harmful to the consumer. I would point out also that Ontario is only too anxious to see, as a result of this committee of direction in British Columbia, the price of this produce rising in the prairie markets, because Ontario is sitting on the other doorstep from us of the prairie provinces and therefore is, as I say, only too anxious to get its produce into those markets.

I should be glad if the critics of what we are attempting to do to help the producer would realize just exactly what it is that we are trying to do. It is a problem of some magnitude. We are endeavouring to sell, as much as we possibly can, perishable products which we have to carry very considerable distances at correspondingly high freight rates, protecting that produce from heat in summer and from cold in winter and distributing it without glut or shortage, so that when it reaches the end of its journey it may give satisfaction to the consumer both as to quality, price and variety. I think it is a noteworthy event that a bold experiment such as I have just described—this committee of direction—has been tried out and that in six months the committee did succeed in creating machinery of an entirely novel character, has carried out the direction of one season's fruit and vegetables in very considerable quantities, and has succeeded also in restoring in the whole industry that confidence which was so badly lacking.

To pass on for a few moments to more general matters connected with the budget, it appears to me that after the Minister of Finance (Mr. Robb) has given birth to yet another budget it must afford him a certain amount of amusement to sit in his seat day after day and hear criticisms levelled at that budget from all directions. He hears the farmer asking for higher income tax. The farmer as a rule pays but little income tax. The Minister sees in the press of Montreal, for several days prior to the bringing down of the budget, the requirements of industry in the form of reduced income tax, the manufacturers arguing that, as the farmer pays but little income tax, there is no reason why they should pay so much. He hears the farmer appealing for a complete cessation of the sales tax. The farmer has to pay a certain amount to the national revenue on every purchase he makes of clothing, say, for himself, his wife or his children. The manufacturer, on the other hand, asks the Minister of Finance, if he is going to cut the sales tax at all, to shave it very gradually so that the quantities of goods on his shelf shall not be badly hurt and so that the amount that will have to be deducted from the price may be very minute. The consumer, on the other hand, wants to have it cut all at once so that it will be necessary for the manufacturer to pass on to him the reduction in the sales tax. And so the Minister of Finance listens to all of these various requests made of him and he reflects, amongst other things, what a wonderful aggregation the Liberal party is —the Liberal party which has foundations somewhat similar to the feet of the image that Nebuchadnezzar saw in his dream, feet of iron and clay. Forty members from Quebec signed a petition appealing for greater protection on market produce and potatoes; they

wanted that protection raised to the height of the United States tariff. They have not got that protection. The seasonal tariff application has never been brought down; no report has been made of it. The government seems to pay very little attention indeed to the reports which the tariff board does bring down. We see from the return asked for by the hon. member for Acadia (Mr. Gardiner) that of only one case, amongst all these matters reported on, has the government taken cognizance in its budget proposal. I wonder whether there is some connection between that and the difficulty in reporting, which the chairman refers to in his report. He says that:

> Difficulty exists as to determining the nature of the advice we are presumed by the order in council to tender to the minister.

To get over that difficulty he finds that the best mode of advising the minister is to pass on the transcripts with only "explanatory comment". What a deadly phrase—explanatory comment. One can imagine a particular application being described as one of no merit whatever—it might even be of benefit to some Conservative industries. This other application, on the other hand, is one of great merit because it is quite possible that Wabasso Cottons may be able to decrease their expenditures and increase their profits. It is truly a wonderful method of handing a report on to a government from a board of inquiry, so different indeed from the method proposed under the Conservative tariff board, which was to publish its findings. Explanatory comment! In much that way, I should imagine, the Cheka gives its views to the bolshevist government in Russia when it is endeavouring to remove some of the middle class workers to more salubrious climes.

It will be noticed that the Quebec fruit and vegetable grower not only is not to receive that assistance from the tariff for which he has appealed, but he finds in opposition to himself, within that wonderful Liberal party, a vociferous, earnest, not very large in number, group of ardent free traders. They lose no opportunity of preaching their gospel, and they probably mean exactly what they preach. That I do not agree with the view they express does not interest them and does not really matter, but it is worthy of note that last session the hon. member for Weyburn (Mr. Young) did what he could to bring about the repeal of clause 47a of the Customs Act, as it was then constituted. He did not succeed, so he returned to the charge this session and proposed a resolution which would bring about the repeal of the section now called 43 of the revised statutes, which, if repealed, would remove the machinery which enables the dumping clause of the customs tariff to operate. I would ask my hon. friends from Quebec whether they are fully satisfied that they are safe with regard to the dumping clause? My own idea is that the hon. member for Weyburn is so pertinacious that he would not allow his resolution to be twice called and then pass into limbo unless he had come to an understanding with the government, and I wonder very much whether the forty members from the province of Quebec who signed that petition really look upon the situation with equanimity. That such is not wholly the case I think is evident from a resolution which I believe has been sent to all the federal members from Quebec as well as to myself, and I do not know how many other hon. members. As it is interesting in this connection, when we are discussing the brotherly love which exists between two branches of the great Liberal family, I want to put it on record:

> Whereas the vegetable, fruit and poultry industries are entitled to as much protection as all other industries, and
>
> Whereas section 43 of the Customs Act, Revised Statutes, gives them this needed protection by authorizing the Minister of National Revenue to set the fair market values for customs purposes and so prevent the surplus of production being imported from United States at prices below such fair market value, and
>
> Whereas the withdrawal of said section would have, as immediate result, the curtailing of production and would leave the producers of perishable products without the protection against dumping which is afforded every industry, and
>
> Whereas we have reason to presume that several prairie members of parliament look favourably at the withdrawal of said section 43 and may move a resolution to this effect:
>
> It is moved and unanimously resolved that the Quebec Farmers' Association; the Quebec Catholic Farmers' Union, as well as the Quebec Market Gardeners' Society, representing an aggregation of over 15,000 farmers, wish to draw the kind attention of the Minister of National Revenue and of the representatives of this province in the federal parliament to the great importance of this section 43 and to respectfully solicit your influence to prevent its withdrawal from the Customs Act.
>
> Quebec Market Gardeners' Society.
> Quebec United Farmers' Association.
> Quebec Catholic Farmers' Union.

I am naturally at one with my hon. friends from Quebec and with the members of the fruit and vegetable growers' associations which are so much interested in this protection, because I am equally in need of it. I earnestly hope that on this occasion the victory will lie with my protectionist friends from the province of Quebec rather than with that section of freetraders sitting to their right.

We do not know anything in particular with regard to the policy of this government in carrying out the development of our natural assets, but I am glad to see that the minister has brought down a resolution which favours carrying on for three years longer the Copper Bounties Act. That act was passed in 1923, and has been made use of. Naturally the maximum results would not be produced immediately, but from the figures showing the amounts which have been paid it is certain that it has had a beneficial effect. It was introduced for the purpose of carrying on the refining of Canadian copper to the very end of the process before that copper is used in Canada, the bounty not being payable on refined copper going out of this country. The figures showing the amount paid under this bounty are as follows:

1924-25..	$ 14,551 75
1925-26..	14,822 67
1926-27..	164,242 30
1927-28 to Feb. 4..	73,604 92

Those figures demonstrate that a considerable quantity of the copper used in Canada has been refined within our own borders. This, of course, has carried with it the advantages of increased employment and the turning over of Canadian dollars, because this means that in all probability some 30,000,000 pounds of copper have been refined and used in Canada.

British Columbia produces more copper than any other province of Canada. In the southwest corner of the constituency of Yale, which I have the honour to represent, on top of the mountain behind Princeton, in the Similkameen valley there is the Copper Mountain mine. You can stand on the edge of the glory hole on top of the mountain and look into the pit and watch the lumps of ore which have been blasted out of the earth guided and barred through the chutes until they get into the mine cars which are run through the tunnel and sent down the wire rope-way to the tipple. There they are tipped into railway cars which run around the mountain to the mill at Allenby, where, first by crushing and then by flotation, the ore is reduced to concentrates. Again I am glad to notice that the minister has allowed the free entry of potassium xanthate, which is an obscure chemical for which I endeavoured to obtain free entry a few years ago. This chemical is not produced in Canada; it is only used in this one process and allowing it free entry would tend to knock a fraction of a cent per pound off the production cost of that copper. Sixty tons of ore from the glory hole are turned into three and a half tons of concentrates in the Allenby mill; those concentrates are carried by a Canadian railway three hundred or four hundred miles east to the smelter at Trail, where they are put through the refining process and, to use the trade term, turned into one ton of refined copper in the form of wire bars. These wire bars again continue east and are taken to the rolling mill at Brockville where they are rolled into copper bars; from Brockville they continue their journey to Montreal, where they are drawn into copper wire, and that copper wire is used in the different industries of Canada. With that object lesson before them, I hope the government will see to it that that copper bounty is continued at least until the time when a very much increased production takes place in Manitoba and Ontario.

I hope the government will also reveal to us as soon as possible what its policy is with regard to the refining of other of Canada's resources. The fact was revealed to us that when the international waterways treaty was being negotiated, the United States said to Canada: Yes, we will make a treaty with you, but we will allow no discussion whatever on the subject of lake Michigan. They admitted that the waters of lake Michigan were on a level with the waters of lake Erie, but old glory floated over the former lake and they said they would allow no discussion as to that stretch of water. Their attitude did not hide the fact that a certain quantity of water was being taken out of that lake, out of these boundary waters, and turned into another watershed altogether. It passes the bounds of my belief, Mr. Speaker, that the engineers of that day could have been oblivious of the fact that that diversion of water would do damage to the harbours of Canada, and still more to the great waterway that leads to the sea from Montreal. However, the government of that day, whether it could help the fact or not, bowed to the decision of the United States and the treaty was made, and possibly as a quid pro quo an extra amount of water was used by Canada at Niagara. The situation to-day is entirely different. The United States wants Canadian co-operation to develop water power on the St. Lawrence river. They want that water power to increase the power in their industries in the state of New York, a part of the products of which industries will come back into the markets of Canada to compete with our goods. Further than that the United States want our pulpwood, they want our nickel, they want our lead, they want various things that Canada has to offer. Has the government a policy to offer the people of Canada, a policy based on a vision of the future, a policy which will enable the assets to which I have referred to be retained until

a proper return is made, until we can negotiate, until we can barter, so that these assets shall not pass out of our possession without our getting full value for them? I do not think, Mr. Speaker, there is any matter which this government could put forward to the people of Canada which would give greater satisfaction from one end of the country to the other than the declaration of a policy that will tend to increase the production of our resources and effect their ultimate refinement within the boundaries of Canada.

Mr. GEORGE SPOTTON (North Huron): Mr. Speaker, in attempting to address the house for the first time I am sure I shall have your kindly sympathy, and if I transgress any parliamentary rule I know you will reprove me in a fatherly fashion.

Inasmuch as this is my first appearance in parliament I suppose it would be quite in order for me to congratulate you, Mr. Speaker, upon your re-election as speaker of the house. From what I have observed you have always displayed the most admirable qualities of heart and head, and have always held the scales of justice evenly. May I take this opportunity also to thank all the members of the house for the kindly manner in which they have received me.

A feeling of deep regret and sorrow creeps over me when I realize that I am simply filling out the term of the late lamented John W. King, who was elected for the constituency of North Huron in the federal election of 1926. The late Mr. King and I were opponents in 1921 when the Progressive movement was at its height. We were again opponents in 1925 when the courts had to decide who should take a seat in this house. Whether in the heat of election, or otherwise, I found the late lamented member a man who stood four-square to all the winds that blow. I am sure, Mr. Speaker, that in voicing my own feeling with respect to him who was called home I am expressing the sentiments of everyone in North Huron. We feel that our county is the poorer for his death and that Canada has lost one of her noblest sons.

In the few remarks I purpose making I hope that my friends on this side will not expect too much from me, and I trust that even if hon. gentlemen opposite do not agree with me they will at least be sympathetic. I wish to tell them that I am always open to conviction.

We have been hearing a great deal of late about a deliverance which has been heralded from the Atlantic to the Pacific as the Robb budget. It appears that the budget is an annual event, and opinions differ a great deal with respect to it. Evidently the present government feel that every time the budget comes down there must be some tinkering with the tariff. I should like to see a tariff which would possess some element of permanency and remain in operation for at least a period of five or ten years so that the manufacturers of this country would know where they stood and would not always have a club held over their heads.

When I look into the faces of some of the ministers who visited our riding during the last election I recall the fact that I was told on the hustings that I had some nerve to be a candidate for the great Liberal-Conservative party because that party had no leader. The Prime Minister (Mr. Mackenzie King) himself when he came to the constituency with his troop emphasized the idea very strongly that it was rather audacious on my part as an humble citizen, a native son of Huron, to put myself up as a candidate because I had no leader. Well, we reminded him, Mr. Speaker, that he had directed the affairs of this government from the gallery for a time. We reminded him also that we had as temporary leader a parliamentarian of wide experience, and if that gentleman was to be permanent leader I would be quite satisfied and so would my constituents. I was asked whether I was going to follow a man from Calgary or from Montreal or from Guelph.

Mr. LAPOINTE: Or Fort William.

Mr. SPOTTON: Or Fort William. But my people decided that even if we never had a leader they would trust me to come to the House of Commons rather than a follower of the King administration. It was a most childish argument because I had an able house leader who was not going to desert the party and within nineteen days of my election we were meeting in Winnipeg to select a permanent leader, so I was not going to be an orphan for very long. They wanted to know who was my leader. Let them take a look at him now. We have a leader of the Liberal-Conservative party who is a worthy successor to the great leaders of the past, a man of wide business experience, of the highest legal attainments, of ripe education, a trained parliamentarian, a man of whose service the president of one of our greatest banks could say along with the rest of the directors that they had lost a man whose business experience nationally and internationally was such a great asset that they will suffer an irreparable loss; and the people

of Canada will say at the earliest opportunity that a man of that type will make a good business manager for this Dominion.

It has been heralded throughout Canada that the Robb budgets have been very popular. I am not boasting; neither on various public platforms nor in private have I boasted of our victory in North Huron. I have been defeated and I have taken my defeat gracefully; I was elected and I took my election modestly; but the latest tribunal to which the Robb budget was submitted was in North Huron on September 12 last. When the Prime Minister came to my constituency he was paraded down our streets with the calliope ahead, and there was with him a stripe of cabinet minister to suit every stripe of elector in my constituency. The matter was placed in this way before the electors by the Prime Minister: "You have an admirable county"—and so we have. The hon. member for South Huron (Mr. McMillan) and I can at least agree with the Prime Minister that the county of Huron is the greatest county in Canada, a little country in itself. We have shipping interests, manufacturing interests, fishing interests; we have great agricultural lands and the finest type of people in this Dominion. There we have practically every class of people that are interested in any great Robb budget. The King administration will not say for a moment that the Robb budget was not fairly placed before the electorate of North Huron. I read this from the Goderich Signal, a Liberal paper:

> The ministerial party included the Hon. Lucien Cannon, Solicitor General; Hon. J. C. Elliott, Minister of Public Works; Hon. James Malcolm, Minister of Trade and Commerce.
>
> These were just at the one meeting.
>
> Others on the platform were F. G. Sanderson, M.P., South Perth; Wellington Hay, M.P., North Perth; M. F. Hepburn, M.P., West Elgin; W. H. Taylor, M.P. Norfolk-Elgin; Thomas McMillan, M.P., South Huron; W. T. Goodison, M.P., West Lambton; Dr. W. A. Hall, M.P., South Bruce; Senator Rankin, of Stratford; T. Cayley, M.P., South Oxford: W. G. Raymond, ex-M.P., Brantford.

And hosts of others. That was the first shot, Wingham in the afternoon and Goderich at night. We were glad that many of these men stayed in the riding for several weeks. We were pleased to welcome members from all parts of Ontario and even a couple from Quebec. These men were valiant fighters and I have no complaint against them because they had a perfect right to come into our riding. They brought in excellent organizers, some of whom had been there for the six months previous, but as we drew nearer to the election there came along those fellows who could not look you just as clearly in the eye as could our good friends opposite. The King administration presented the Robb budget and the jury of North Huron spoke. Of course our friends of the government will say: This was an accident; it was a three-cornered contest; that is, like-minded Liberals and Progressives were split and the Tories slipped in between. That is why they keep on whistling to keep their courage up, like the boy going through the cemetery at night. But the fact remains that in 1925, John W. King, a life-long Liberal, stood on the platform and said he was one hundred per cent Progressive, and the Prime Minister of this country sent in a secret message which was placed in every Liberal home telling them to get behind John W. King; that he was as good a supporter of the government as any Liberal. This was supplemented by Liberal organizers and Liberal sinews of war. The contest was so close that the county judge awarded me the seat and the high court judge reversed his decision. So it was not any great accident that occurred on September 12th of last year. If we turn back to the votes in 1896, 1900, 1904, and 1911 in the municipalities which comprise the new riding of North Huron and in which Judge Lewis, Mr. Bowman and Doctor Chisholm used to run, the results were as near a tie as you could get. Just a few months before our by-election on September 12th last, a Liberal member was elected in North Huron —the identical riding which I represent—in the Ontario elections by over 2,000 of a majority. Therefore our friends can take any cold comfort they like. They may point to the war-time election of 1917, but at that time our citizens, regardless of politics, were supporting the Union government. I mention this just to show that when the Robb budget was presented to the jury of North Huron, it received a fair testing out and the Prime Minister said that he would take it as a commendation or a condemnation. In addition to that we had these high pressure salesmen in the riding.

I was twitted with not having a leader, but the Prime Minister only thinks he is leading. He is just being pushed around. If you ask him were he is going, he says: Ask the crowd behind. This administration reminds me of the "Maid of the Mist" down at Niagara Falls. It starts out and it just goes around in a circle: it is not propelled in any way, it is just carried here and there wherever the current takes it, and it lands back at the place it started from. But they are one of the best advertising agencies that Canada ever

had, the best advertising agency that I know, and they are so busy advertising that they forget to do a little work. Abraham Lincoln once said of an opponent in a law court who was making a great deal of fuss over nothing, that his friend reminded him of a boat on the Sangamon river that puffed and snorted about. It had a five-foot boiler and a seven-foot whistle, and every time the whistle blew the boat stopped. This administration, it appears to me, are so busy blowing their whistle that they have not had much time to bring forward any real legislation to assist the people in North Huron or elsewhere.

We are told that we have great prosperity in Canada. After the King meeting at Goderich I met a fellow outside and he was counting his money. I said to him: "What are you doing here, Bill?" "Well," he says, "I was a poor man when I went into that meeting but I am a rich man now." He says, "I know I must be because they told me I was, and I have been looking at my one dollar bills and I thought they would have become tens, and I have been looking at my twos and I thought they would have become twenties, and I have been looking at my fives and I thought they would have become fifties, and," he says, "I had a ten and I thought it would have become a hundred, but" he says, "they are here just as they were." He wrote me afterwards that when he returned home he asked his wife if they were prosperous and she said, "No, there are many things which I would like to get. It is costing more to live and we are not getting any more money than we did a few years ago. It may be all right for the very rich in this country, but so far as we are concerned there is no great prosperity here."

Lest I forget, I would just like to tell right now about a class of people who certainly are not prosperous, and that is the rural mail carriers in my riding. The Postmaster General is prosperous, his deputy may be prosperous, the men in his department may be prosperous, but the rural mail carriers in my riding are not prosperous. I cannot understand how in the whole civil service of the Dominion of Canada the poor fellows who drive the old mare and go over the snow banks every day on his majesty's service are the only ones that have to stand up every four years and be shot at, and hired at starvation wages. I know the Postmaster General (Mr. Veniot) will say that we put the routes up to tender, and why do they tender if they do not want the job? I want to say that if the postmaster generalship were advertised to-night, I believe the Postmaster General would take three or four thousand dollars less a year to hold the job.

Mr. VENIOT: That has always been the case under my hon. friend's government.

Mr. SPOTTON: But my friends were defeated. They were chastised for their sins. I am not living in the past, and I commit sins enough myself without having to carry the load of all my relatives. The Conservative party is now in opposition; it has been purged, and we have shaken off the old clothes.

There is one innovation the Postmaster General has made. He has put more politics per square inch into the postal service than all his predecessors ever did. In the town of Goderich, rural route No. 6, Goderich—get that, Mr. Postmaster General—a man there carried His Majesty's mail for fifteen years, and there was not a kicker on the whole mail route; they all love him. He performed little services for them coming in and out of town. He was put up to be shot at. They advertised this job. A new man comes along and applies at the same salary as the old faithful servant was receiving, and the Postmaster General has not backbone enough and is not British enough to say: "Well done, you good servant. You have been with us a long time, and I will give you the job." No, sir, his department writes to the defeated Liberal candidate in North Huron to ask, Who shall get this job? If the Postmaster General wants any more concrete examples, I will give them to him. I am going to be very modest with him to-night, because I have not had time to dig and delve very much.

Mr. VENIOT: He is not asking to be spared.

Mr. SPOTTON: I will leave it to this house and to the people of Canada if a man who has carried his majesty's mail for fifteen years, and is prepared to go on doing it as cheaply as a new man, should be thrown aside, and the department write to the defeated Liberal candidate to see who's who.

I see the member for North Perth (Mr. Hay), in the house. I do not know whether this route lies in North or South Perth, but I noticed in the press an article that a man was brought up in the city of Stratford by the society for the Prevention of Cruelty to Animals. His horse was in such a condition that the Humane Society took action against him. But when the case came up in the police court and the magistrate found out that he was carrying his majesty's mail daily, keeping up a horse and rig and trying to support a

family on $1.75 a day, he dismissed the case. This is no hearsay. I wrote the police magistrate at Stratford and asked him to send me an authoritative clipping from the newspaper, and I have his letter and the clipping here. The same thing has happened on the suburban routes around the city of London, where men have been brought up who were carrying his majesty's mails franked by cabinet ministers and the rest of us who are receiving more salaries than we are worth. With these poor fellows who are carrying the mails, it is just another case of the man who does the most work getting the least money. The Postmaster General, of course laughs at this. I remember in the chemistry room we used to manufacture a certain thing which caused laughter. But, Mr. Speaker, this is no laughing matter.

As I may not be in the house when the estimates come up, and as the sky seems to be the limit, I should like to make a little plea to the cabinet ministers present on behalf of Goderich harbour. No doubt the country has heard that Goderich has a harbour. That is not part of the Robb budget, but it assisted and supplemented the support given to the Robb budget in North Huron. At a meeting in Goderich Mayor MacEwan presented an address of welcome to the Prime Minister, and this is what the Prime Minister said, according to the Liberal newspaper:

> The government of which I have the honour to be the head has paid considerable attention to Goderich harbour—

Then, of course, some of the cabinet ministers sitting there smiled very graciously, you know, as he was speaking; they did not say a word:

> —and in the future the government must continue to pay considerable attention to the harbour here. As head of the government I am pleased, however, to note in the address with which you have welcomed me words of appreciation of the government's work in this connection. Usually things of this kind are taken for granted.

And they should be, Mr. Speaker. Just at this point I wish to say that I hold no brief for our friends to my left, but an unkind attack was made on them yesterday by the Minister of Railways (Mr. Dunning). Oh, how kind and sympathetic he was with like-minded people so long as he needed them, during that period of log-rolling and dickering and dealing, to keep him in power in this house, but the moment he did not need them he scolded them most roundly. On behalf of my friends to my left, I wish to say that the campaign for the United Farmers of Ontario candidate was conducted largely by the brilliant and able lady who represents Southeast Grey in this house (Miss Macphail), and they fought in the open; they said the same thing in the country school house that they said at Goderich and in the town of Wingham. But not so with my friends opposite. The Minister of Railways stands up and characterizes us as high protectionists. I was branded as a high protectionist in the campaign; I am not. Some say, as the Globe says that: "follow your convictions" is just as good a slogan as "follow your leader." There have been times when I have not been able to follow my political leader, and that time may come again.

I wish to say, sir, that in my riding, owing to the high pressure salemanship of cabinet ministers calling on all local manufacturers with that bludgeon called the Robb budget, this Liberal paper was able to say that all the manufacturers and captains of industry, regardless of their politics, were behind the King administration. And yet they had their friends going in and out of the farmers' homes calling me a "high protectionist", and a "friend of the manufacturer", and, as I say, the Liberal paper boldly stated that all the captains of industry of Goderich were supporting the King administration. I think the time has about come when this advertising agency will not be able to run with the hare and hunt with the hounds; that they will not be able to pose as protectionists in the towns and cities, and then try to hold us up to ridicule in the rural sections as high protectionists. I represent a farming constituency, and of 274 delegates at our nominating convention I suppose 240 were farmers. I was opposed by a farmer, but the farmers of the constituency said they would trust me to present their case in the House of Commons. I believe that the manufacturer and the farmer are interdependent, I believe that what is good for one will eventually be good for the other; but let me say, as I have said in North Huron, if there ever comes a time when their interests clash, then I am on the side of the farmers and the labouring men of my riding.

I was reading, Mr. Speaker, what our Prime Minister said, that usually these things were taken for granted, but of course they were gifts from a benign government. Let me give his words:

> Usually things of this kind are taken for granted, and it is pleasant therefore to have the government's efforts appreciated as you here in Goderich have appreciated them.

Another gentleman who followed the Prime Minister said:

> If you expect the government to be sympathetic with you, you should show your sympathy with them.

As the hon. member for Southeast Grey (Miss Macphail) knows, it was a joke throughout the riding as to whether the Goderich harbour was to receive one quarter, one half, three-quarters of a million, or a million a year. Anyway, the people of Goderich were canvassed from house to house and told that industry would lag if the Liberal candidate was not elected, so much so that in the town itself a change of nine hundred votes was made in favour of the Liberal candidate. So you cannot blame Goderich for what the rest of the riding has done. Everything you promised Goderich, Goderich deserves. Goderich harbour is the greatest receiving port in the upper lakes. These figures, taken from the records of the lake shippers' clearance association, bear out my statement that Goderich leads among upper lake ports:

	Bushels					
	Wheat	Oats	Barley	Flax	Rye	Total
Buffalo	79,827,085	1,138,273	9,008,448	227,070	2,137,213	92,338,089
Chicago	.....	51,524	.....	175,665	.....	227,189
Cleveland	.....	.....	.....	236,000	.....	236,000
Duluth	.....	73,470	.....	.....	.....	73,470
Erie	4,815,912	.....	134,556	.....	.....	4,950,463
Fairport	4,647,184	.....	105,000	.....	.....	4,752,184
Toledo	1,972,839	.....	.....	.....	.....	1,972,839
Depot Harbor	748,751	.....	.....	.....	863,926	1,612,677
Goderich	**9,639.807**	**281,186**	**222,582**	**480,680**	**302,535**	**10,926,790**
Midland	6,654,662	300,253	144,416	.....	145,000	7,244,331
Montreal	4,130,179	844,389	796,726	130,121	279,664	6,181,079
Owen Sound	3,232,193	708,699	370,248	60,000	107,996	4,479,136
Port Colborne	31,044,204	1,650,461	3,484,562	507,284	2,883,318	39,569,829
Port McNicoll	6,286,722	.....	60,000	.....	197,604	6,544,326
Port Stanley	266,000	.....	55,216	.....	.....	321,216
Quebec	250,679	209,045	.....	.....	.....	459,724
Sarnia	1,726,347	54,544	91,342	.....	33,874	1,906,107
Tiffin	4,175,434	76.428	.....	50,000	271,589	4,573,451
Local elevators	4,709,674	10,964	122,889	.....	2,615	4,846,142
	164,127,672	5,399,236	14,595,985	1,866,820	7,225,334	193,215,047

I repeat, Mr. Speaker, Goderich harbour is the greatest receiving port in the upper lakes. It needs public money spent upon it, no matter what political party is in power. Everything that these gentlemen promised publicly, and everything their cohorts promised in private canvassing is all right; I have no objection to it. Goderich needs to be dealt with liberally—and I find in the estimates they have allotted us $9,000! Why, sir, they spent more than that in one ward of my riding. There is a revote of $66,000, making with this $9,000, a total of $75,000. That $66,000 is what the government at another time told the people of Goderich they were to get, but they did not get it. But I know that the Minister of Public Works (Mr. Elliott) appreciates the position. I do not believe that either in public or in private he made any promise about what the government would do about Goderich harbour. But I do know that hangers on, canvassers and other cabinet ministers who had to make good smiled and let it be known that money would be spent there in plenty. Now we ask for Goderich harbour an expenditure which its national importance demands. We ask the government to keep faith to honour their campaign managers' pledges. I am not speaking now unkindly of the hon. member for North Bruce (Mr. Malcolm). We are proud of the three cabinet ministers from western Ontario. Their constituencies all border around mine, and they are all estimable and capable gentlemen; we are proud of them; they are the best men that could be found within the Liberal ranks. But I cannot forbear a comparison of what is contained in the estimates for public works in North Bruce. Kincardine, where there is nothing but a couple of fishing boats and a few canoes—a passenger boat or a freight boat never enters the harbour except to bring in a little bit of coal—Kincardine got about $16,000 last year. Port Bruce—I do not know where it is, although I know every foot of North Bruce—got $1,023.68. Saugeen river, where they fish only with pole and line, got $8,994.48. Southampton—never a cargo went out of there since Adam was a boy—got $4,999.21. Stokes bay—where a man has a saw mill—got $3,950.60. I have no complaints about these expenditures, but if the riding of North Bruce is entitled to that amount of money, with no shipping whatever, what should Goderich harbour receive? Judging by what North Bruce got last year and again this year, I may tell my friends in confidence that it looks like a general election. These expenditures are a pretty good barometer.

Now, Mr. Speaker, I should like to add a word about immigration, but as the committee on agriculture and colonization will deal with

that—and at the present rate of going it will be the last couple of days of the session—I had better not attempt to deal with it. I have been attending the committee, and I may frankly say that no progress is being made, the work is not being taken up seriously, and it looks to me as though the government was not very anxious that we should reach an investigation of the Immigration department. Immigration is a big problem that will take a long time to consider. A good many people will have to be called to give evidence, and therefore I think that a more permanent committee would be better able to deal with it.

We are told that there is a great deal of prosperity throughout the country, but each member, regardless of politics, says it cannot be found in his constituency. My hon. friend from Temiscouata (Mr. Pouliot) said that while in his riding the people are equally as prosperous as hon. members opposite would have us believe is the case in the country generally, the boys in his riding went to the United States to make money so they could come back and pay off the mortgage on the old man's house.

Mr. CASGRAIN: He said they were coming back.

Mr. SPOTTON: We have also been told that we are emigration agents for the United States. Now, Mr. Speaker, if I had a son twenty-one years old, fully equipped for life, and he came to me and said: "Dad, all my friends who have gone to the United States have made good, and those who have remained here are getting along indifferently with no bright prospects," I would be torn between my love for British institutions and the material welfare of my son. But why should I? For I fancy that about the only time the Prime Minister of Canada (Mr. Mackenzie King) ever went out to seek a living he went to the United States.

Mr. J. C. BRADY (Skeena): After I heard the splendid address of the hon. member for North Huron (Mr. Spotton), I could not help believing but that the Postmaster General (Mr. Veniot) had been dropping a lot of orange peels in the path of the various ministers of his own cabinet.

Mr. ERNST: Banana peels.

Mr. BRADY: In rising to offer my contribution to the debate on the budget I do so at least after some study and reflection, and any criticism I now offer has not for its object personal aggrandizement nor party politics. My remarks will be in strict accordance with the rules of debate, the purpose of which is a contest between two opposing sides on a definite question, in this instance a question of such vital import to the people of Canada that every representative in parliament has a moral obligation to discuss it.

The immediate purpose of the debate which has now continued for a few weeks is to find out as far as is humanly possible whether the budget on which the present government has staked its reputation is one that satisfies the needs and aspirations of the Canadian people at the present time. The question, therefore, is clear and well defined: Is this budget, which was praised so loudly last evening by the Minister of Railways (Mr. Dunning) as well as by other government supporters, a budget which by its excellence, and its promise of economic expansion, in keeping with Canada's possibilities Is it a budget that will receive the support not merely of this house but also of the people of Canada? After studying it, I contend that the budget defines nothing, convinces no one, and confuses many. Even the most ardent devotees of the government, who in this house and in the press support it, do not, if we are to judge by their comments, endorse the budget as if it were intrinsically sound. The great mass of the Canadian people, when they come thoroughly to understand it, will not be satisfied with it. Nor do I think that the hon. the Minister of Finance (Mr. Robb) who sponsored the budget considers it sound himself. As the minister read the budget speech the other day I felt that he was merely the instrument of master minds who had for their object not the good of the people of Canada but the desire to remain in office and hold the reins of government. That was the thought that struck me, and there came to my mind at the time a verse in Spencer's Faerie Queene wherein Archimago, the enchantor, could confuse all who came within his environment. The words that I recall appear in canto 2, and I think they will be understood by everyone in this house:

> He then devised himself how to disguise;
> For by his mighty science he could take
> As many forms and shapes in seeming wise,
> As ever Proteus to himself did make.
> Sometimes a fowl, sometimes a fish in lake,
> Now like a fox, now like a dragon fell,
> That of himself he oft for fear would quake,
> And oft would flie away.

The conviction that this budget is not in keeping with the spirit of the Canadian people in this great moment of need deepened as I heard more of the debate. When I heard the hon. member for St. Lawrence-St. George (Mr. Cahan), the hon. member for South Waterloo (Mr. Edwards), the hon. member for Parry Sound (Mr. Arthurs), and, later on,

members to my left, particularly the hon. member for Southeast Grey (Miss Macphail), I was more convinced that the budget would never attain the limit of the possibilities which the government expects of it. There are members of this government and sections of the Liberal press who are accusing the Conservative party of injuring the Dominion in the eyes of the world by daring to assert that Canada is not enjoying to the full the prosperity which is suggested in the budget. That there is prosperity in Canada we all admit; that it is as general as the budget implies we deny. I contend, and I hope to prove my contention in the few minutes at my disposal, that under the present Liberal government Canada's prosperity is neither as general as it is painted nor as widespread as it should be. Canada should be a land of opportunity for all and not a land of opportunity for some, as the present government—and hon. gentlemen opposite know it—is making her. We on this side of the house as well as members of the government take pride in our country; we as well as they want our children to live in Canada and enjoy to the full the blessings of life. We deplore the fact that the future of this country is being endangered by the lack of policy of the present government, or rather the destructive tendency of that so-called policy which, is certainly not constructive. The onus of proving this prosperity lies with the government, but so far they have failed to prove their assertion, and the consensus of public opinion is against their contention. Anyone who has a knowledge of the conditions prevailing to-day throughout a great part of Canada—I might even say over the length and breadth of Canada—must admit that our young industries are being strangled, our settlement checked and our sons and daughters driven to take up foreign citizenship by force of circumstance. I therefore believe, sir, that the hour has come when the people of Canada should know once and for all whether the Liberal government is the working man's government, as they desire to be known. I am going to make a statement now which no member of this house can contradict, and I think once it is established it will decide exactly the difference of policy between the opposition and the government. That statement, sir, is that any policy which by its operation is sending our people out to assume foreign citizenship, by which our country is made the poorer, and the other country "irridentist" stands condemned; while any policy which keeps our man power within Canada and adds to our population the best type of immigrants from other countries, must receive universal approbation. I ask this house and the people of Canada which of these policies is now in force. Prosperity has been spoken of not only to-day but in the years past. In the palmiest days of the Roman Empire prosperity was often mentioned; Rome was the centre of wealth while the common people were kept in poverty, little more than slaves. The same was true in France before the days of the French revolution.

I wish to say here that the policy of the Liberal government with regard to immigration and the development of our natural resources is a setback to the future of this country. I ask any right thinking man or woman to ponder this question for a moment; upon what do our provinces depend? They depend upon their natural resources and their development. From Nova Scotia with its coal, its iron and its steel to British Columbia with its forest products, its mines and its fisheries, this is true. What is the government doing to help Canada develop these resources to the utmost and produce the finished article in our own country? My answer is that the government is doing very little. Under our present immigration scheme we are taking in raw material in shape of unskilled labour from other countries, but we are sending out to foreign countries our highly trained, technical young men and women. They naturally go to the United States where greater opportunities exist, and there they assist in the finishing of our raw materials. After this is done the finished products are sent back to us, and our country is thus prevented from developing as it should and we do not reap the benefit of the initiative, vigor and scholarship of the products of our schools and universities.

We must remember that we are spending millions of dollars to-day in the education of our young people. We only need to consider the nine provinces to see how much money is being spent in training our boyhood and girlhood in our universities to take up technical work, particularly in science and industrial chemistry. After they have received this training, what happens? They go to these places where their knowledge will be of service, and I say that any policy which does not have as one of its main attributes the retention of these highly trained young men and women deserves the censure of all right thinking people.

Referring to the question of immigration, which was lightly touched upon a few moments ago, as an echo of the McConachie case which occupied the attention of the people of this country a week ago I have another example which is very interesting. I

have the name and address of the father, and will give them to the Minister of Immigration if he so wishes. When this record is given to the house to-night, and when it reaches the outside world, the people will stand amazed to see how far we have gone along a path which is making us a shame and a disgrace to the thinking world. Here is the case. The father came to Canada from Scotland as a high class engineer and entered the employ of the Canadian Pacific Railway. He has a wife and three children, and they sold their home and also came out to Canada. The little boy was four years of age; I saw his photograph to-day, and it can be shown to any member of the government who may desire to see it. For twenty-eight years I was a teacher in this country and other parts of the British Empire and I think I should know at least something about boys and their mentality and intelligence. What happened? A lady doctor and her supernumerary put that child through an intelligence test to determine whether or not he was fitted to enter Canada. Four tests were given him, and I challenge any member of the government to say that the answers of that child were such as to indicate that he was subnormal. The lady doctor, whose name was given me, took a one cent piece from her purse and showed it to the child born in Scotland.

Some hon. MEMBERS: Oh, oh.

Mr. BRADY: As I say, she placed the cent before the child and asked what it was; the child answered that it was a penny. That was one black mark. The second test was this: A medical or surgical instrument was placed by the lady doctor upon the table, and the child was asked what it was. The child looked with intent eyes at the outline of the mechanism and said "It is a pipe." It was very much like a smoking pipe to that child. That was black mark No. 2.

An hon. MEMBER: What was the instrument?

Mr. BRADY: I do not know what it was. The third test was the display of a picture of a kangaroo. The child was asked what it was and he answered that it was a dog. Black mark No. 3.

Mr. CAHAN: How old was the child?

Mr. BRADY: The child was four years of age. Now, sir, in the light of this farce in which we are becoming the laughing stock of the world, I ask any member of this house what faith they would place in the McConachie test. If such things happen here and happen there it is apparent the hour has come when we should demand the adoption of a different policy. We should show that we possess intelligence and know how to handle cases of this sort.

Mr. EDWARDS (Frontenac): Was the child shipped out of the country?

Mr. BRADY: The mother was kept in the deportation quarters for three weeks. She had to pay her board bill and was finally shipped back with her child to Scotland. This was the information given to me. I have the name and address of my informant, and if the government desire any further information it will be forthcoming.

Now, sir, I wish to deal with some statements made by the Finance Minister. I should like to quote his actual words because I feel that out of those words I shall be able to condemn the government for not carrying out what they say is sound administration. In delivering the budget speech the Minister of Finance quoted the opinion of a British economist named McCulloch:

> The greater productiveness of industry and the greater well-being of the community are the real sinking funds which a wise government should exert itself to build up and encourage.

And again:

> Thus by policies beneficial to all parts of Canada, national development both in industry and population, has been encouraged. Canadians are returning home . . . and Canada is once more building solidly for the future.

And again:

> Work and thrift are the only sure roads to success.

Now, sir, I think that the Minister of Finance was the victim of some master mind, as is evident in these words just read, because I declare to-night that as regards British Columbia, and as regards the constituency that I represent, the fulfilment of that program has not taken place. I will prove, when the estimates come up again, that instead of looking to the well-being of the community, and looking to the development and support of our industries, the government pursued the very opposite course, or at least those did who were responsible for carrying out the very things suggested by the policy as enunciated above. The greater productiveness of industry! I want to tell the house to-night that I live in the heart of one of the greatest fishing communities as well as one of the greatest mining districts in Canada. Further, I say this,—that the day is not far distant when British Columbia will play a part on the Pacific similar to the part played by Great Britain on the Atlan-

tic as a great centre of commerce. We have got the great Pacific along our coast, we have got the Orient at our door. Prince Rupert is 480 miles nearer the orient with its 480,000,000 of population in the Chinese Empire, and its 65,000,000 in Japan. I say, sir, that if ever the hour comes when I shall be called upon to decide between the working people, the common people, as we say, and any class my lot shall be cast with them to the end. What is this government doing? They say they are the friends of the working man. Sir, they took out from the estimates the necessary appropriation to give to the fishing folk of Prince Rupert a little paltry shelter for their boats during the winter season. Where is the romance which should exist in the hearts of the government ministers? Where is the love of adventure with which they should be inspired? Have they never thought for a moment of the fishermen out on the deep amid grave dangers and perils, constantly risking their lives, their families never certain that they will return to their homes? I stand here as a representative of those people. Is it possible that in a country like ours that the word democracy, painted in vivid colours on the emblems of all who claim to represent Liberalism, is misunderstood by the Cabinet ministers. Is it possible that this government refuses to give to these people the things so necessary to render their lot less hard? Sir, the failure to minister to the wants of these people is a crime.

I went through the mining districts in my constituency. I did so because I wished to give to this house statements which could be substantiated and not statements which were untrue. I will give you an outline of the conditions which prevailed (written down on the very day I went there) at Stewart. I went up to Stewart because the people asked me to come and see the congestion at their wharves. I went so that I might honestly note and report the conditions which prevailed there, and here is what I found: The Mogul, a large ore carrier, had been in midstream for twenty-four hours. Five times the boat had to leave the wharf to go out to mid stream, each removal involving an expenditure of $48, besides great loss of time, because the Union steamship boats and the Canadian National Railway boats were coming in on their regular service, and these boats are not always on schedule time. Furthermore, that same boat could not deposit on that wharf the necessary supplies so essential for the mines. A thousand cases of gasoline could not be landed there owing to the congestion which prevailed, The wharf was laden with coal, steel for the mines, concentrates, and gasoline cans, and the Mogul had to take back for the next trip, five days later, 500 cans of gasoline that could not go on the wharf. And yet the government call upon the people to work and to practise thrift. The pioneers up there are fighting to-day for their very existence. They work long hours, they toil from early morn until late at night; and I say that if this government had the heart to recognize what was necessary for those people, we the representatives would not be compelled to stand up here and demand these necessities; we should be doing something else and legislating along other lines for the improvement of the public welfare.

I have still a minute and I have something more to say. I come from a great country, a land where the old British stock is practically predominant. In the old days, long before the birth of Vancouver or Victoria, there were along the Skeena and the Stuart rivers, great Hudson Bay forts, trade routes. These were there a hundred years before the Canadian National thundered through the Yellowhead pass on its way to the port of Prince Rupert. I should like to let the people of Canada know that this particular part of central British Columbia is replete with wonderful natural resources. It is only fourteen years ago that this particular part of British Columbia was connected up by the Canadian National from the port of Prince Rupert to the outer parts of Canada, and yet we have in that city a port second to none in this Dominion. We have there a port that, when the St. Lawrence was closed last winter, was open for grain boats to come and go all the winter months and it is an open port at all times and all hours throughout the whole twelve months. We have a great dry dock costing some millions of money but lying practically idle because of the fact that the government do not see fit to realize that they could, through that port, capture the oriental trade, a goal which to-day should be the ambition of the Canadian people. We have there a great ocean dock eight hundred feet long, but practically no use is made of it. What should we do? Do you not think, sir, the one great thing to-day in a national policy is the development of our seaports? The whole history of the world centres around its waterways. Study the history of rivers, harbours, lakes and seashores and you find the history of the world and of the progress of civilization. It should be the bounden duty of every government; it should be one of the chief platforms in any policy, to make use to-day of the gifts that we possess, where much money has been spent and where the conveniences are available, to develop our ports and make use of them as a means of

encouraging foreign trade and building up our domestic markets. This, I think, is the chief duty of any government.

In conclusion let me say that whatever little good the budget possesses, has been recognized. The income tax and one or two other things have been reduced, but there are throughout Canada many people who never had the chance of having a reduction in their income tax.

Mr. I. D. COTNAM (North Renfrew): Mr. Speaker, in rising to address the House of Commons on the present budget I wish to state at the outset that I will vote against it. Like so many other things that this government has presented to this house, it is a dud. It is a milkless, creamless, butterless and breadless budget for the great masses of the working people. I have been in the house now for three sessions; I have listened to three speeches from the throne and to the delivery of three budgets by the present Minister of Finance (Mr. Robb). In the three speeches from the throne and also in the three budget speeches this government has been endeavouring to tell the people that this country is in an exceedingly prosperous condition. This reminds me of that old adage "Methinks the lady doth protest too much." Why, this very afternoon, in an address delivered by the hon. member for East Essex (Mr. Odette), he tended to stress the fact that there was a great industrial boom in his constituency. I hold in my hand a report taken from the Border Cities Star of Windsor under date of February 13, 1928, and stating:

> So many people are applying for work at the city hall these days that the mayor's office has become pretty much of an employment bureau.

That is right across the line from the hon. member for East Essex. Furthermore, the man who made that statement is a Mr. Blake Winter, who, I understand, ran on the Liberal ticket in East Essex in 1925; consequently I assume the government will accept that report as true. Yet we have the hon. member trying to tell us in the house this afternoon that in his constituency everything is in a condition of industrial boom. I fail to see where you can have an industrial boom with everything prosperous and at the same time have an ex-Liberal candidate telling us that there is practically a bread line and people seeking for employment right across the border from the hon. member's own city.

Mr. ODETTE: Is the hon. member sure of the name? I do not know of any Mr. Blake ever running in Essex county.

Mr. COTNAM: Alderman E. Blake Winter, acting mayor.

[Mr. Brady.]

Mr. ODETTE: That is different.

Mr. COTNAM: I presume my hon. friend will accept him even on that name. While all the members on the government side who have spoken in this debate and members of the government themselves have stressed the prosperity which they allege to prevail in this Dominion, I have noticed that all this prosperity is present in the abstract. Not a single member has stood up in his place and said that in his particular constituency industrial conditions are excellent; that the people are busy; that the working men have full pockets, and that the larders of the women are well stocked with food and the other necessaries of life. This government is a government by statistics. When you try to pin them down to hard facts, every member of the government immediately turns to statistics to support the spurious case which they want to present to the people. Why, the Prime Minister (Mr. Mackenzie King) in his first address in the house this year took almost three and a half hours, and most of that time was consumed in giving statistics to prove to the people of this country that they were prosperous. I, for one, prefer the method of the late revered leader of the Liberal party, Sir Wilfrid Laurier, who said that if a people were truly prosperous it was not necessary to quote statistics, that when the man in the street put his hand in his pocket he knew whether or not he was prosperous. While banking institutions may be prosperous, while certain sections of this country may be prosperous, while the farmers of this country, due to their own work and thrift, may be in a more or less prosperous condition, while the pulp and paper industry is probably prosperous to-day, by the test of Sir Wilfrid Laurier the working people of this country, the great mass of the people, are not in a prosperous condition, or are not as prosperous as they should be.

Why, this government says, we are reducing taxation. But, Mr. Speaker, if you look over the estimates for the last five years you will find that year after year there has been a steady increase in expenditure on the part of this government. Year after year this government has been collecting more and more money from the taxpayers. True the government have taken off some of the nuisance taxes which they themselves imposed. They have brought the sales tax back to three per cent, the point where it was when they came into office in 1921. But I maintain that if this government economized as they should do, and economized as the people of this country demand, they could have taken off the sales tax entirely and have got rid of

the nuisance taxes years ago. Anyone who looks over the estimates even for this current year will agree, I think I am quite safe in saying, that this government could cut down their expenditure by fifty to seventy-five million dollars a year without one public service in the country suffering thereby, if they were willing to cut out their political patronage to political heelers and hangers-on and give the country a good straight square and honest deal in the matter of government. It is a strange thing how the government can expect this country to grow and prosper—and to me it seems impossible—in the face of the fact that in the last five years they have spent over two billion dollars in administering the public affairs of only nine millions of people. I cannot understand how we can prosper when this government are spending at least $40 per capita per annum for every man, woman and child in the Dominion. It does not matter how they get the money out of the pockets of the people, whether by direct or indirect taxation; the fact remains that the people of Canada must pay the bill. You can cut down your sales tax, cut down your income tax, cut down all your taxes, but if you continue in the aggregate to collect more revenue than you have been collecting in the past, the people of Canada must eventually pay the piper, and they are paying it to-day.

Yes, the government have reduced the income tax. I do not think that helps the labouring man in this country very much. The hon. member for East Essex, when speaking this afternoon, said that if you bought an automobile in the city of Ottawa to-day, now that the reduced sales tax is in effect, you could buy it ten dollars cheaper than before this budget came into effect. But I ask you, how many working people in this country are to-day living on less than $1,000 a year? I venture to say that probably sixty per cent of the labouring classes in this country are earning less than $1,000 a year, and they are not buying motor cars, I can tell you, to say nothing about benefiting by a reduction in the income tax. I do not believe in this reduction in the income tax. I believe the income tax should be collected, and collected from the people who are able to pay. The people who have the money in their pockets have the right to pay; it is their duty to contribute to the running expenses of this country instead of the government collecting a sales tax from the little fellow who can earn only $2 or $2.50 per day.

In 1921 we had the Prime Minister—at that time he was leader of the opposition—in my constituency. He came there all arrayed in battle armour, equipped with sword and shield, and he was going to slay a number of dragons that were then in the way. The present Prime Minister in opposition was a wonderful tilter at imaginary evils. They must slay that dragon, he said, of the high cost of living. The poor consumer in this country was paying more than he should have to pay for the necessities of life. Where is the cost of living to-day? Why, it is higher to-day than when the Prime Minister was touring the Dominion in 1921, and I do not now hear him raising his voice against the high cost of living.

Another thing of which he complained was that the Conservative government was a government by order in council. But yet this government, which, according to a return tabled last year, had passed 25,000 orders in council from the time they came into power up until last year, have I presume up to now passed 35,000 or 40,000 orders in council, and the Prime Minister never raises his voice against that evil which was so rampant in this country in 1921.

The Prime Minister was also going to reform the senate. He has been in office now for six years, and reformation of the senate so far as the Prime Minister and his cabinet are concerned, is as far away as it was at the time of the flood. However, he did perhaps take one step towards the reformation of the senate when he appointed the ex-Minister of Customs and Excise in this country, a man who had assisted in defrauding—

Mr. SPEAKER: Order. It is not permissible to reflect upon any hon. member of the other chamber.

Mr. COTNAM: Well, Mr. Speaker, he was appointed to the senate. He was accused—if I may use that word—of bringing the department of which he was the head into disrepute.

We have another problem to-day, a problem that has been mentioned over and over again, and with which is interwoven all the future life of the Dominion, a problem which we cannot get away from however much we may try. I refer to the immigration problem. According to a return tabled the other day, we have brought into the Dominion, during the years this government has been in office, over eight hundred thousand immigrants. To this number must be added the natural increase, which should give a very largely augmented population. But has our population increased? On the contrary, there is a net loss of 60,000 to the U.S.A. in the past year. Where are those immigrants? The Minister of Railways (Mr. Dunning),

speaking in this debate yesterday, said that we, in mentioning the fact that certain of our people were going across the line, were acting as advance agents for the immigration authorities of the United States. Well, that does not say much for the personnel of this government: How does that state of affairs fit in with their prosperity cry? I would give the Minister of Railways or any of his colleagues credit for a little more sense than to believe that, although we suffered a net loss last year of sixty thousand Canadians to the United States, everything is prosperous here, wages are good, industries are booming, and agriculture is about as profitable as it could be made. Why were these sixty thousand Canadians foolish enough to forego the pleasant conditions depicted by the government and move across to settle in such a country as the Minister of Railways painted yesterday with the help of newspaper reports? Well, it is the same old story; when the government want to cover up their deficiencies and ignore the facts they quote statistics and newspaper reports. Yet it cannot be denied that last year we lost sixty thousand Canadians to the United States. What are we doing to make good this loss? We are bringing in people from outside, people who in many cases know nothing about our traditions, our language, our customs. This is a sin and a shame, and I say it is a reproach to the government that they cannot find a solution of the problem. It is not up to us to find a solution; it is up to this government. I claim that the fiscal policy of the administration and their attitude generally towards our industries are responsible for driving our native-born across the line. The government must provide the remedy for this evil, otherwise the Dominion can never grow and develop as she would if we had in office a party capable of dealing in a statesmanlike way with this and other national problems.

I have in my constituency, Mr. Speaker, English, Irish, Scotch, French-Canadians, Germans, Poles and people of other nationalities, and they are living and working together in peace and harmony. I wish we had more of them. I should like to see more German immigrants brought in since the ban has been lifted on their entry, because they make most desirable citizens. They are thrifty, honest, hard-working, and they make a success of whatever they take in hand. I repeat, I wish I had more of them in my constituency. But no matter how many immigrants we may bring in, or what nationality they may be, they cannot in the nature of things make good the loss of our native-born. I believe this is a problem for the mothers of Canada, and that they are going to have a great deal to do with its solution. It will be for them to say whether their children are to get at the hands of this government a square deal, whether conditions are to be such that their children when they arrive at adolescence will be assured an opportunity of securing useful and profitable vocations which will enable them to remain in the land of their birth. The government accuse the Conservative party of not having any policy to prevent this exodus to the United States. Well, what is the policy of the Liberal party in this regard? Have they any solution to offer that will be satisfactory to the people of Canada?

I can heartily sympathize with the hon. member for North Huron (Mr. Spotton), for in my last election my riding also was invaded by cabinet ministers. I think the first minister to come in was the genial gentleman who presides over the Department of Marine and Fisheries (Mr. Cardin). Let me tell it to the marines: he did not do me very much harm. The next minister to arrive was his good-natured colleague, the Minister of Railways and Canals. Harm? No, I think he did me some good. He spoke about the customs scandal something along these lines: The customs scandal does not amount to very much —why, you know, you ladies would all like to smuggle a pair of silk stockings or a few little handkerchiefs, or something like that, so really there is not very much in the charges after all. I suppose he meant that if the crime was not very serious it was not much of a sin in his eyes; but he shocked the moral sensibilities of the people by preaching such a doctrine.

Mr. DUNNING: Mr. Speaker, I do not usually object, but my hon. friend is quoting me entirely wrong. As a matter of fact, in the course of several speeches, I discussed the moral attitude of the public towards the whole question, and not at all along the lines indicated by my hon. friend.

Mr. COTNAM: Perhaps the Minister of Railways was only discussing it in an ironical fashion.

Mr. DUNNING: No, Mr. Speaker. I must protest. My speeches are of record, and my hon. friend did not hear them. I made speeches, and they were reported correctly, and they were not along the lines indicated by him.

Mr. COTNAM: I took the report from the Liberal paper published in the constituency.

Mr. DUNNING: Has he got it?

Mr. COTNAM: Perhaps the minister will repudiate his own newspaper?

Mr. DUNNING: If you read it incorrectly, yes.

Mr. COTNAM: I think I can read correctly—

Mr. DUNNING: Go ahead.

Mr. COTNAM: —most of the time. In passing, let me say that I always like to see the Minister of Railways get up in a debate, because he is a fighter. I am Irish myself and I like a scrap.

Mr. CASGRAIN: That is the best part of yourself.

Mr. COTNAM: But the Minister of Railways is imbued with some peculiar ideas. I think he must have brought some of his free trade ideas with him when he came to this country and he has not yet been able to adapt himself to conditions such as he finds them even in the great western land. I thought he went rather out of his way yesterday to make a somewhat wanton attack on the members who sit in the southeast of the chamber. I have had Progressives in my riding and I will always give them credit for this, that in whatever else I may not be able to agree with them I do believe that they are honest in their convictions and that they try to do what they think is right.

Mr. DUNNING: Hear, hear.

Mr. COTNAM: And the Minister of Railways yesterday impugned the motives of the group who sit in that corner.

Mr. DUNNING: I used no words capable of such an interpretation—no such words at all.

Mr. CANTLEY: You are thin-skinned.

Mr. DUNNING: It is a matter of truth, a matter of record.

Mr. CASGRAIN: He merely stated bare facts.

Mr. COTNAM: I have only forty minutes, and interruptions curtail the time at my disposal. I am quite willing to leave it to the house, and even to members on the minister's side, to read Hansard and see what he did say. Perhaps the minister himself has not read Hansard and is not aware of what he said yesterday. I should not wonder, if he read Hansard, that he himself would be surprised to discover what he said. He went a little too far and said just a little bit more than perhaps some of his colleagues were anxious to have him say. However, that is my personal opinion.

Mr. MOTHERWELL: It sounded all right here.

Mr. EDWARDS (Frontenac): Is that your private or your public opinion?

Mr. MOTHERWELL: Both.

Mr. COTNAM: I do not know what the people would have done if the genial Minister of Agriculture had told the agricultural community of my constituency just how the Australian treaty worked out to their advantage. Possibly, had he done so, it would have meant three or four hundred more of a majority for me. I should like him to go into my constituency and tell the mixed farmers of that riding how the treaty is operating to their benefit.

Mr. MOTHERWELL: I am busy elsewhere.

Mr. COTNAM: I have here a report of a conference of the National Dairy Council of Canada and I find, looking over this report, that there were present at that meeting of the council the Prime Minister (Mr. Mackenzie King), the Hon. W. R. Motherwell, Minister of Agriculture, the Hon. W. D. Euler, Minister of National Revenue, the Hon. J. A. Robb, Minister of Finance, the Hon. Charles A. Dunning, Minister of Railways, the Hon. Charles Stewart, Minister of the Interior, the Hon. J. C. Elliott, Minister of Public Works and the Hon. James Malcolm, Minister of Trade and Commerce. An appeal was made to the members of the cabinet asking them to rescind the trade arrangement which had been made with Australia in that treaty. I wonder what the government intends to do about it. I notice in this report that in the Minister of Agriculture's own province over twenty dairy organizations closed their doors last fall.

Mr. MOTHERWELL: There are not twenty in it.

Mr. COTNAM: The report of the council says so.

Mr. MOTHERWELL: Not in my constituency.

Mr. COTNAM: I did not say in your constituency.

Mr. MOTHERWELL: Yes, you did.

Mr. COTNAM: I said, in the province of Saskatchewan. At any rate, the dairy farmers and the mixed farmers of this country have not been getting a square deal from this gov-

ernment. The farmers of my constituency have not been getting a square deal from them, and I submit the time has come when the government should look after the interests of our own farmers first and not the interests of the farmers of Australia and New Zealand. This government, through their ratification of the Australian trade agreement, have practically turned the Dominion of Canada into an importer, so far at least as butter is concerned. Whereas we had an exportable surplus of 24,000,000 pounds of butter in the year 1925, this year, according to this report from which I have read, this country will be importing in the neighbourhood of 10,000,000 pounds of butter, to the detriment of the dairy farmers of Canada. In order to give concessions to automobile parts manufacturers and to the pulp and paper industries of the country, the government penalized the dairy farmers. They also penalized the consumers, for whom their hearts bleed so often, making them pay, instead of a duty of two-thirds of a cent per pound on raisins, a duty of three cents per pound. The result is that we have brought in no more Australian raisins, but about 40,000,000 pounds last year from the United States, to the great disadvantage of the bakers and consumers of Canada. I received circulars from bakers in my town pointing out that on account of the increase in the price of raisins they were compelled to pay so much more for their product that they had to take the additional sum out of their own pockets because they could not raise the price of their product. The fact is that the consumers of Canada paid last year in round figures $1,500,000 more than they should have done in order to make possible the trade agreement with the Commonwealth of Australia for which the people of this Dominion received practically nothing in return. The Conservative party in this house fought that Australian treaty in 1925 and again in 1926. Indeed, the ex-member for South Oxford brought in an amendment to the budget calling on the government to repudiate the treaty.

Another gentleman came to my riding during the election to tell the electors how to vote. I refer to the present Canadian minister at Washington, a man who could not get a constituency of his own in the country. A man who could not represent the people of one constituency is sent by this government to represent all Canada at Washington. I wonder where he got his mandate, and what was the reason for his appointment. I listened to him as he tried to explain at that meeting how it was that the agricultural implement business had not been interfered with by the tariff tinkering of this government. He did not tell the people that he got back in protection, through drawbacks, as much as he had or more than he had before, while the little fellow was obliged to pay for the concessions which were made to allow the Massey Harris implement works to carry on. Exactly the same method was adopted in connection with the automobile industry when the duty was lowered on automobiles.

Then last, but by no means least, we had in my riding the Prime Minister himself in the year 1926. I shall always be pleased, and I am sure the people of that constituency will also at all times be pleased, to receive with open arms the Prime Minister of this country, to whatever party he may belong, because we hold the office in high respect. The Prime Minister received a nice bouquet of roses and had a sweet little girl to kiss, but, apart from that, I do not know that he did very much harm or very much good to the cause he represented. He had with him, however, a gentleman whom I will not name but who did us a great deal of good. This gentleman came forward and said, "When in the whole history of this Dominion, or of any other country for that matter, had a man ever received back from the government a cheque for $300 on account of income tax? Well, I had the pleasure of receiving such a cheque the other day as a result of the Robb budget." The people in that constituency, the working people, the masses who are earning not more than five, six or seven hundred dollars a year, came to the conclusion that if that man could receive $300 back from the government on income tax he was well able to pay it into the revenue of the country. They said, "We do not want a government like that; they have retained the sales tax and taken the tax off the little fellow who is earning his $2 or $2.50 per day." In other words, I guess I had the experience of the hon. member for North Huron, and I would just like to add this word of warning to the government for the future. Apparently the people of this country are afraid of the cabinet, when they hunt in packs; if only one appeared it might be all right, but when they run together the people say as the Duke of Wellington said before Waterloo, "They scare me." The voters of that riding and the voters of North Huron were scared of them when they ran in packs.

I wish to draw one matter to the attention of the Postmaster General (Mr. Veniot), again following the lead of the hon. member for North Huron. I believe it is a crying shame and disgrace to this country to-day that our rural mail carriers do not receive

more remuneration for the services they render. I have several of these men in my constituency, and I am sure every rural member will agree with me when I say that these men are inadequately paid for the work they do. They face storms and all kinds of weather, travelling over all kinds of roads in order to give the people of this country a mail service, and surely there should be some way of devising a system whereby these mail carriers might receive adequate remuneration for the work they do. I do hope the Postmaster General will find some means of dealing with that problem.

There is just one other matter about which I would like to speak. I think the Minister of Finance first started the cry that the Conservative party stands for higher, higher and still higher protection; I heard the minister make that statement in this house last year and the year before, and as he spoke his voice went up the scale accordingly. Last year and this year I find the Minister of Railways and Canals joining in the same duet; yesterday in the house he stated that this was a part of the policy of the Conservative party —which it is not. This party is not asking and never has asked for higher protection; the Conservative party is asking for a square deal for the Canadian people. We believe that we should have a tariff sufficient to protect the farmers, the labouring people and the great masses of the people, and we believe that a tariff so adjusted and so modified as to give no one an undue advantage will work for the benefit of this country. We do not advocate a high tariff; an adequate tariff is what we desire. We do not ask it for the manufacturers alone but for every class and section of this country, and it is because this government has no fixed fiscal policy that we are to-day floundering in our present condition. We have a tariff board, which was appointed by this government, and how is that board composed? First we had an ex-minister of railways as chairman. Where did he learn anything about matters pertaining to the tariff? For the present chairman of the board we have an ex-lobbyist for the old Mackenzie and Mann interests which were once predominant in this country. What do we get from this tariff board? They have been in existence over a year and a half and we have had absolutely nothing from them; they are simply acting as a buffer between this government and the people, to give the government something behind which they can hide.

And then the Minister of Finance tells the people it is necessary to economize. Why, Mr. Speaker, I always thought economy, like charity, began at home. I should think it would be up to this government to give the people a few object lessons in economy. The minister says the watchwords must be work and thrift, but the people in my constituency cannot work any harder and they cannot be any thriftier; the farmers and labourers get up at four or five o'clock in the morning, long before the Minister of Finance stirs from his comfortable bed; they work all through the day with perhaps an hour for lnuch and sometimes continue far into the night. It takes them sixteen or eighteen hours a day to make a living and to keep things going.

Mr. SPEAKER: Time.

On motion of Mr. Kennedy the debate was adjourned.

On motion of Mr. Lapointe the house adjourned at 10.38 p.m.

Friday, March 2, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 56, An Act respecting the Sun Life Assurance Company of Canada.—Sir Eugene Fiset.

Bill No. 57, An Act respecting The Edmonton, Dunvegan and British Columbia Railway Company.—Mr. Kennedy.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the name of Mr. Chevrier be substituted for that of Mr. Laflamme on the committee on industrial and international relations.

Motion agreed to.

REPORT

Memorandum prepared by Monsieur P. De Vuyst, director-general of the Department of Agriculture in Belgium, for the Belgium committee of propaganda in favour of the International Agriculture Institute of Rome, Italy. —Mr. Speaker.

DEPARTMENT OF NATIONAL REVENUE

AUDITOR'S REPORT ON REORGANIZATION

Hon. R. B. BENNETT (Leader of the Opposition): Might I inquire if the government will be good enough to have printed the report of the auditors, Messrs. Clarkson, Gordon and Dilworth, with respect to the customs inquiry?

It is rather an important document, its preparation involved an expenditure of some $50,000 or more, and hon. members find it difficult to comprehend it without having copies before them. In the light of the legislation about to be introduced and the estimates, we should like to have copies of the report available, and I trust the government will make the necessary arrangements to have it printed at an early date.

Hon. W. D. EULER (Minister of National Revenue): The report is voluminous, but there is no objection whatever to printing it.

PRIVILEGE—MR. POULIOT

Mr. JEAN FRANÇOIS POULIOT: Mr. Speaker, I rise to a question of privilege. Last night I listened with great interest to the speech of my hon. friend from North Huron (Mr. Spotton) in the course of which he said:

> My hon. friend from Temiscouata said that while in his riding the people are equally as prosperous as hon. members opposite would have us believe is the case in the country generally the boys in his riding went to the United States to make money so that they could come back and pay off the mortgage on the old man's house.

One might conclude that what the hon. member refers to happened last week. Well, I may be allowed to inform the house that those boys went to the States while the Tories were in power, and they came back under the present regime.

HUDSON STRAITS AERIAL SURVEY

MISSING AVIATORS

Mr. A. F. TOTZKE (Humboldt): Mr. Speaker, in the absence of the hon. Minister of Marine and Fisheries (Mr. Cardin) may I ask the hon. Minister of Railways (Mr. Dunning) if word has been received of the missing aviators who have been engaged in an aerial survey of ice conditions in the Hudson straits?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The Minister of Marine and Fisheries advised me this morning that the missing aviators had been found and are now safely back at their base at Port Burwell.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Thursday, March 1, consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, the budget proposals of the Minister of Finance (Mr. Robb) relatng to taxation have not so far met with a great deal of favour from any quarter of this house. The Minister of Trade and Commerce (Mr. Malcolm) stated last Tuesday that he was glad to be able to congratulate his colleague on the statement of Canada's business which he had presented for the past year. But apart from such general remarks, there has not been very much favourable comment from either side of the house, especially from hon. members to your right, sir, with regard to the taxation proposals of the budget. In his reference to his colleague's statement of Canada's business, the hon. Minister of Trade and Commerce (Mr. Malcolm) asked:

> What percentage of this credit is due to the self-reliance and industry of our people, what percentage to the acts of a benign Providence, and what to the actions of the government seems, however, to be a matter for debate.

Without seeking to fix the percentage of credit, Mr. Speaker, I would say that Providence has been generous to us during the last three years; our people have been very industrious; and I think we will have to admit that the Minister of Finance is a careful administrator.

Now, as far as my time will allow, I wish to deal with the taxation proposals contained in the budget. We have four main sources of taxation revenue: Customs, excise, sales tax and income tax, and it is as the budget proposals affect the taxation levied that I am particularly interested. I have not heard much comment so far in this debate, especially from the government side, on these taxation proposals. We have discussed many things which in my judgment are not directly related to the budget or connected with budgeting, but there seems to be a tendency to avoid any reference to the actual changes in taxation as proposed. As one of the members of this group I have been very much interested in some of the kindly criticism that has been levelled against us in this corner and against our amendment. I was very much interested in the speech made by the hon. member for South Huron (Mr. McMillan). He stated that he had a hard job to understand just why we were sitting on this side of the house, and he came to the conclusion, after reading our amendment, that there was no reason at all why we should sit on this side and that even he himself

had stronger reasons for differing with the government than those set forth in our amendment.

The hon. member for Provencher (Mr. Beaubien) delivered a remarkable speech. He said in his closing words:

> I intend to vote for honest and practical legislation—for the budget.

But what was his analysis of that budget which led him to that sublime conclusion? First:

> The tariff resolutions which the Minister of Finance has presented to the house are confusing. I do not believe that all the lawyers in Philadelphia could understand them, and I am not going to discuss them because they are too confusing. I would point out, however, that there seems to be a joker in the proposals submitted by the Minister of Finance, and that joker is in the changing of the numbers of the schedule. Let me cite just one example in order to make my point clear.

Then he cites items 526 and 575. He goes on:

> In the new schedules which the minister has brought down that is changed to item No. 545, and in changing the item they have inserted the words, "for use exclusively in the manufacture of",—

He asks that the words: "For use exclusively in the manufacture of," be struck out. So that the general public of Canada will get the same advantages as the manufacturers when it comes to importing material. He objects to the reduction in the income tax:

> The reduction in the income tax, I am frank to say, does not please me.

These are his references to the direct proposals of the budget. Then he goes on to discuss the amendments. He says that some of us over here are anxious to rock the boat as it is safe. I would remind him that some of us rocked the boat when it was not safe, and if the matter is urgent enough and important enough we are prepared to do it again. The only reference which the hon. member for Provencher makes to the proposals of the budget he makes in condemnation of or in opposition to them. But he sums up his remarks by stating that he is prepared to vote "for honest, practical legislation—for the budget." I would point out that the hon. gentleman is the only member of the group known as Liberal-Progressives in this house who has so far spoken on this budget. I should like to know whether we are to take his attitude on the budget as representing that of the Liberal-Progressives. I am interested in this because I have a great deal of respect for the Liberal-Progressives and I should be glad to hear more of them tell the house what they actually think of these budget proposals before the division is called on the amendments and on the budget itself. We are not infallible. We have been criticizing the budget and we are anxious to hear from some of those gentlemen, who have very much the same point of view as ourselves with regard to matters of taxation, as to the ground on which they will justify voting for the budget and against our amendment.

We heard also from the Minister of Railways (Mr. Dunning). That hon. gentleman in his speech on Wednesday did not come any nearer discussing the actual taxation proposals or the change in them than to refer to the income tax and to the increase in the British preference. On the latter point he had this to say:

> As to the criticism which has been uttered with respect to the intimation by the Minister of Finance that in future it was proposed to ask that all goods coming in, taking advantage of the British preference, should have a 50 per cent British or empire content, I desire to say just this: the Minister of Finance gave that intimation in no sense intending thereby to limit the British preference in the slightest degree.

Whatever the Minister of Finance's intention may have been, the change is bound to limit the goods that will come in, when we increase the rate from 25 to 50 per cent. It is just as sure as if you raised the standard of wheat. You will have less of that grade than if the standard were lower. I cannot understand why the Minister of Railways should have pursued that line of reasoning. Of course he took a slap at the group system. This has nothing at all to do with the budget as a matter of fact, but as regards the statement made by the Minister of Railways on the floor of this house and in some parts of the country as well, if we are to believe the newspaper reports, that we in this corner of the house wanted and did attempt to bludgeon the government, I have this to say: If our efforts can be properly described as bludgeoning—I do not think they can be, but if so—then I declare, and I invite anyone to challenge the assertion, that the only attempt we have made in this house in that direction have been attempts to keep the Liberal party true to the pledges which they made to the people of this Dominion. If bludgeoning is justified at all it is justified in a case of that kind. The minister said the other night that the hon. member for Southeast Grey had called that method democracy. Well, a betrayal of promises such as we have witnessed for a number of years in this country by the Liberal party is certainly something that is not in the best in-

terests of democracy; and if we who have claimed to believe in the same principles that have been thus repudiated did not take every opportunity to keep the Liberal party true to its promises, we should also be untrue to democracy and to the people who sent us here.

I am not going to quote this time the Liberal or the Progressive platforms. When I was a youth I was once taken out to some evangelistic meetings in the north of Scotland and I remember an old evangelist stating there were some parts of Scotland he did not like to visit because the people were gospel-hardened. I wondered whether it is worth while quoting these platforms any more. Are the people across the floor gospel-hardened so far as these promises are concerned? I hope that is not so.

Mr. COOTE: I am afraid it is.

Mr. KENNEDY: The Minister of Railways said something about cooperation. I remember reading in the press after the last election that there had been a meeting of the Liberal-Progressive group in the west. They reported that they were willing that the Minister of Immigration (Mr. Forke) should enter the cabinet because the policies of the two groups, Liberals and Liberal-Progressives, were similar. The Minister of Railways stated the other night that we had co-operation in this house between the two groups. After all, he is in power because of that system; he is in power as a result of co-operation between the two groups. I was glad to hear the minister say he was pleased with the co-operation which has been received from that group, but I wish some of the members of that group would tell us whether they are also pleased with the cooperation they have received from the treasury benches in carrying out legislation based on the policies on which they were both elected. I believe they owe that to their constituents, to this house and to the country, because I do not think they are fair to themselves if they vote without giving some explanation. As I understand the word "cooperate" it means to work together for a common object. What is the common object? Is it this budget, the budget of last year or both together? The views of the three prairie provinces on fiscal matters are well known; the farmers represent a large proportion of the population of those provinces, and if you find a group of farmers expressing themselves with regard to the income tax and the tariff you can be pretty sure of their sentiments. I do not want to take time to quote resolutions from the Canadian Council of Agriculture and other farm bodies, but I believe the people who sent their representatives here from the three prairie provinces hold the same opinions with regard to taxation and budgeting in this Dominion. They are opposed to the indirect system of tariff taxation as they are opposed to decreases in the income tax.

Some of the newspapers of Canada have stated that the farmers are opposed to any reduction in the income tax because they do not pay that tax. Well, Mr. Speaker, possibly some of us would have come under the income tax had it not been for the exemption we were allowed, but notwithstanding that exemption I want to say that most of us are very anxious to-day to reach the point where we will have to pay income tax. If the farmers have not been paying income tax it is because they do not receive the incomes in spite of their long hours of work, the hardships which they endure and the practical conscription of the labour of both their wives and families.

The Minister of Railways referred to the sales tax and said that on this point the Conservatives and ourselves agreed. That is not so, and I am surprised that the minister did not read the amendment more carefully. I am strongly opposed to wiping out entirely the sales tax, not because I believe it is a good tax but because I believe it is better than the tariff. Under the sales tax we have pyramiding; not all the revenue collected goes into the treasury, but the tariff also pyramids and in addition possibly two or three dollars go into the pockets of private individuals for every dollar which is received by the federal treasury. The sales tax, on the other hand, does not lend itself to that evil.

The hon. member for Provencher (Mr. Beaubien), asked the Minister of Finance, because he was a kindly gentleman, to strike out of the proposed tariff schedule the words "for use exclusively for the manufacture of". I want to say to the hon. member for Provencher and to other members of this house who have been studying the tariff that we have not been tied down to a policy of protection in this country at all. No, indeed; we have had an arrangement of protection and free trade whereby the manufacturers get protection on their finished products and a low tariff or no tariff at all on the raw material they need to buy. They secure the benefits of both policies while we, on the other hand, suffer the disadvantages of both, and that is why we intend to fight until we get at least a more equitable arrangement. If the Minister of Finance in-

tends to strike out those words in these proposals he will need something more than a kindly heart to carry him through. The tariff schedules as proposed by the minister are planned in my judgment to help a few large manufacturers at the expense of the general public and the smaller manufacturers, especially those manufacturing hats and caps.

In the first place we have a reclassification; under the old items a certain rate of duty was provided on a certain line of goods, such as clothing or blankets. The old item would apply to cotton and woollen blankets, or to cotton handkerchiefs, linen handkerchiefs and silk handkerchiefs as the case might be. Now an attempt is made to divide those items as between cotton, flax, hemp and jute, wool, silk, and art silk. At the beginning of this schedule the tariff is changed on some articles of a general character to suit certain industries, and while some of these changes are not extensive others are very important. In the time at my disposal it would be impossible for me to go through all these items, but I intend to examine some of these proposals in some detail to show where the advantage lies. It may be dry work, but I believe it worth while to do at least enough of it to show the general way in which the tariff has been revised.

We have two concessions to the fruit and vegetable growers in the proposed budget changes. The first is in item 87b:

Small onion plants, grown from seeds and imported for bona fide transplanting or propagation purposes only.

The other concession is under item 219a:

Non-alcoholic preparations or chemicals for disinfecting, dipping or spraying.

Last night I was rather interested in the remarks of the hon. member for Yale (Mr. Stirling). He started out by approving of this reduction in connection with onion plants, but then he advocated protection when it came to the sale of the onions. That is another illustration of the desire to profit by both policies, and it shows that human nature is pretty much the same on both sides of the house. The onion growers last year were referred to by the Minister of Railways in a rather scornful fashion; I remember he said they wanted protection, and that there were only three hundred onion growers in the Dominion of Canada. However, I congratulate the Minister of Finance on taking this method of helping them instead of increasing the protection already afforded.

Item 192a is a concession to the paper mills, and here is a case where these mills are given tariff reductions in order to assist them. We have made considerable sacrifices in this Dominion to help the paper industry, but these manufacturers are now anxious to benefit by a lower tariff or a lack of tariff when they want to buy anything which enters into the manufacture of their finished product. As the trade returns are made up it is impossible to find out just what the importation of these articles amounted to for the year 1926, the last year for which we have returns.

Now I come to item 267b which is a very important one. The old item 267a read as follows:

Crude petroleum in its natural state, .7900 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The new item in the tariff reads as follows:

267b: Crude petroleum not in its natural state .725 specific gravity or heavier at 60 degrees temperature, when imported by oil refineries to be refined in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

On and after July 1, 1931, those rates will be per gallon: British preferential tariff $\frac{3}{10}$ cent, intermediate tariff $\frac{4}{10}$ cent, general tariff $\frac{1}{2}$ cent. Of crude petroleum, gas oils other than naptha, benzine and gasoline lighter than .8235 but not less than .775 specific gravity at 60 degrees temperature, the imports for the year ending March 31, 1926 were 1,884,348 gallons, valued at $118,181 on which a duty of $28,265.23 was collected under the general tariff. In the case of crude petroleum in its natural state, .7900 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories, the imports amounted to 470,574,100 gallons, valued at $25,672,481.

The budget proposals will now allow to come in free until July 1, 1931, crude petroleum not in its natural state, .725 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners, to be refined in their own factories. This will allow partial refinement of crude petroleum in the United States, Peru, or Mexico, countries from which it has been imported, and the importation to Canada without duty until July 1, 1931. This is a concession to oil companies without any reduction in the duty in the finished products. It is the first intimation I have had that the oil companies were in distress. It appears that we are going to allow them to refine not 1,884,000 gallons of oil, but 470,000,000, and to bring that amount of oil in annually without paying duty up to July 1, 1931. The protection on most of the finished products of

petroleum runs from 1 cent per gallon to 2½ cents per gallon, and from 12½ per cent under the British preference to 32½ per cent under the general tariff.

Then we have some concessions to the mining industry. In item 438a the duties are reduced on locomotives and motor cars for railways and tramways, of a class or kind adapted for underground haulage for use only in mining operations. Motor cars for railways and tramways above ground are still subject to the old duties.

Item 453h is also a concession to mining, or to the Canadian General Electric Company which imports mine hoists, assembles them here, and then sells them to the trade. The reductions here are from 15, 25 and 27½ per cent respectively to 10, 15 and 20 per cent. There appears to have been imported into Canada under the old item "electric apparatus, n.o.p.," apparatus to the amount of $3,078,286, on which duty amounting to $827,187.27 was collected. However, we are going to cut that down materially in order to help the Canadian General Electric Company.

There are also reductions to the mining industry in item 208d where the old rates of 15 per cent, 17½ per cent and 17½ per cent; and of 15 per cent, 20 per cent and 22½ per cent, become in each case free. Also in the case of item 453g, which is not shown in the proposed and present tariff tabled by the Minister of Finance, where the reductions are from 15 per cent, 25 per cent and 27½ per cent, to 10 per cent, 12½ per cent and 15 per cent. In addition there are several other items in which it is proposed to give reductions in the tariff to help the mining industry.

I wish now to call the attention of the house to item 442 relating to printing presses and certain machines. The old rates were 5 per cent, 10 per cent and 10 per cent. The new rates are free, 5 per cent and 5 per cent. There is added to this item:

Stereotypers' and typecasters' blankets and press blankets used in covering cylinders on rotary printing presses, of a class or kind not made in Canada.

Press blankets are added at the following rates: free, 5 per cent and 10 per cent where formerly the rates stood under the four items: 15, 20, 27½, 25 per cent under the British preference; 17½ per cent, 27½ per cent, 35 per cent and 32½ per cent, under the intermediate; and 20 per cent, 30 per cent, 35 per cent and 35 per cent, under the general tariff. In connection with this item we should possibly consider drawback item No. 1060:

Newsprint paper, machine finished book grades of paper, not coated, coated or super-calendered book grades of paper, when imported under tariff items 197, 197a, or 198a, a drawback of 99 per cent.

Possibly these items, taken into consideration with the fact that newspaper printing presses of not less value than $1,500 each by retail, of a class or kind not made in Canada are free under all tariffs, has something to do with the favourable editorial comment on the budget from the Atlantic to the Pacific, to which the Minister of Trade and Commerce referred on Tuesday.

Of printing presses and lithographic presses, we had imports in 1926 of a value of $947,213. The duty collected amounted to $93,146.60, the collections from the general tariff tax being $91,571.90; and from the preferential tax, $1,574.70.

The imports for the year ending March 31, 1926, of book and printing paper, not coated, suitable for printing of books, papers and catalogues, amounted to 3,810,300 pounds, valued at $334,986, on which total duty was paid of $74,420. The general tariff collections were $59,150.75; intermediate tariff, $1,884.11; preferential tariff, $13,385.85.

This is no doubt the response of the government to the application of Mr. Chipman of the Grain Growers Guide, coupled with demands of others, printers and publishers, for protection of Canadian magazines. I presume this concession is an effort to keep them from moving to Buffalo. Well, I congratulate the minister on the method of assistance. Instead of imposing a duty on advertising he gave a reduction of duty on the materials used in the production of papers and magazines. But, Mr. Speaker, I wonder if all the papers and magazines benefiting by this reduction in duties and the application of a drawback to their industry will try to assist their readers to get the same benefits. It is a peculiar circumstance that the onion growers and the printers should get relief by tariff reductions and drawbacks on their raw material after having carried on a rather strenuous campaign for tariff protection on their finished products. I wonder if the farmers of this country have been going at things the wrong way by asking for tariff reduction. Will it be necessary for them first to ally themselves with the protectionists before they will succeed in getting the party that has always promised drastic tariff revision downward to move? In any case why should the farmers carry the burden of both protection and free trade—protection on what he buys and free trade on what he sells, while the manufacturer gets very low duties on what he buys, while he gets the benefit of free trade on the raw material that he needs and protection on the finished article he has to sell. But to people who come along

and say: We do not care which you give us: we prefer protection but we will take free trade on raw material if you will not give us protection. The government turns around and says: We will not give you protection but we will give you some of the benefits of free trade, drawbacks and reductions in duty. The parties on that side of the house are trading too much on the fact that we cannot get together with the Conservatives. Let me tell them that, if this sort of thing continues, they will find they are suffering from a delusion. It is not a very big step for the people of the west, and particularly the people of Alberta, to say that if we cannot get tariff reductions in a general way—and it looks as if that were the case—the only thing for us to do is to go and make the very best possible deal with the protectionists and see what they can do for us. I agree that the policy of the Liberal party and the Progressive party across the way is the right one, but why should we indefinitely accept all the disadvantages of free trade and protection and at the same time get none of the advantages of either?

Why is it that the dairy farmers of the west are to-day shouting for the abolition of the Australian treaty? It is because they have wakened up to the fact that the Minister of Finance and the government, in proposing that treaty, asked the dairy industry and the farmers of the west to meet subsidized competition from Australia, to protect Australian raisin growers and to create favourable marketing conditions in the Australian market for the pulp and paper and motor car interests? That is a first class example of applying the disadvantages, if you like, of free trade for the farmer and passing along the advantages to some other interest outside of the country altogether.

I want now to come to the cotton schedules. I have under my hand an application made by the Wabasso Company, Limited, of Three Rivers, Que. to the tariff board. They ask that clause 530 of the tariff reading—

> Coir and coir yarn: raw cotton or cotton wool not dyed: cotton yarns, number 40 and finer.

—be taken off the free list. They ask that this commodity which has been coming in free, be made dutiable in order to protect them because they are producing this kind of commodity at a loss. This is a very important item. At page 168 of the Trade of Canada for the year ending March 31, 1926, I find the following:

> Imports of yarn, cotton, No. 40 and finer, free.
> Amount, 2,732,069 pounds.
> Value, $2,580,014.

In items 521 to 522a we have a general levelling of rates. The former rates on such goods as batts and batting are lower by about 10 per cent. Rates on cotton yarns, formerly dutiable, are reduced by about 5 per cent, and rates on cotton yarns, formerly free, are now made dutiable at rates from 10 to 22½ per cent. In 1926 we imported cotton yarn, free, to the amount of 66,702 pounds valued at $53,764 and cotton yarns, dutiable, dyed or not, to the amount of 331,293 pounds valued at $178,528. The duty collected amounted to $39,601.67. The reductions given under these items are as follows:

	British preference	Intermediate	General
Cotton yarns not exceeding 20's	5%	7½%	5%
Cotton yarns exceeding 20's but not exceeding 40's	2½%	7½%	2½%

While on cotton yarns in the items that I have just mentioned we have general reductions averaging about 3 per cent on goods totalling under $2,000,000, there are general increases of about 8 or 9 per cent on goods that were formerly free valued at about $3,000,000. That is one of the chief illustrations of what these tariff reductions, so-called, mean to us. Throughout the whole cotton schedules we have innumerable articles taken off the free list, innumerable articles that the manufacturer wants for manufacturing purposes with tariff reductions; but in practically every case the tariff increases are greater than the tariff reductions, and in many of the cases the items that used to come in free are much larger in volume than the items on which we have reductions.

This budget and the tariff schedules dealing with cotton, like the other schedules, mean a tariff revision not in favour of tariff for revenue as we have been told the Liberals would revise the tariff, but purely on a protective basis with the idea of protecting the manufacturers of those goods in the Dominion of Canada. As regards this budget, the old claim that the Liberals stand for tariff for revenue while the Conservatives stand for tariff for protection, cannot be maintained. All through the schedules there is a great deal of confusion. Somebody endeavoured to give us a tariff revision and made a very bad job of it so far as clearness is concerned.

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

Hon. S. F. TOLMIE (Victoria, B.C.): Mr. Speaker, I have listened with a good deal of interest to what has been said in the

course of this debate, and it is rather difficult at this late stage to present to the house any thoughts that have not already been dealt with to some extent. Before proceeding with my remarks on the budget, let me say that my attention has been drawn to some observations made by the hon. member for East Essex (Mr. Odette) last evening when he stated:

> Last but not least the Canadian Steel Corporation, the Canadian branch of the United States Steel Corporation, have started the production of steel in two large factories in Ojibway.

An hon. member wired to the Canadian Steel Corporation as follows asking for confirmation:

> Has Canadian Steel Corporation started the production of steel at Ojibway?
>
> Eccles J. Gott.

The reply from the Canadian Steel Corporation reads:

> Message received. No.

I have been listening to remarks from different corners of the house and I think I have at least solved one thing and that is that, when a man either comes into this country from the outside or graduates from college or school in Canada and is ambitious, energetic, thrifty, capable and accumulates a little money round about him at, say the age of fifty years, he is promptly classed as a capitalist to be fired at by tax collectors and certain groups of men who perhaps have not been quite so successful and who have not gathered this world's goods about them. Listening the other day to the hon. member for Rosetown (Mr. Evans), when he drew that very blue picture of the farmers in Saskatchewan who he claimed had been "shot at" for a long time by the manufacturers and the capitalists, I could not help thinking of a number of these farmers who have appeared on the Pacific coast, having made enough money from their farms in Saskatchewan to retire for life and come out on the Pacific coast and enjoy themselves, spending their time fishing when the fish are willing, playing golf and generally having a good time. These men are welcomed by us in Victoria and along the Pacific coast. We are very glad indeed to see them, and we would like to have more of them. Glancing across the house, too, I notice that the representatives from Saskatchewan are a very prosperous looking lot of men and capable of holding up their end in this house, and I come to the conclusion that after all these people at the coast that I refer to and these gentlemen across the floor must be just a few who have got away from the manufacturer and the capitalist. I have heard the hon. member for Rosetown speaking along these lines on several occasions, and I have been living in hopes that some day I would have the pleasure of seeing him out on one of our golf courses, rigged up in plus fours and all the usual paraphernalia, chasing the elusive pill over the course and inhaling the ozone of the Pacific coast. After he had enjoyed himself out there for a week or two and mixed with these retired capitalists, farmers and manufacturers, I am sure he would think that they are not such a bad lot after all. We need all these classes in Canada. We need the farmer, and he should have all the advantages that we can give him. We need the manufacturer, and we also need the capitalist very badly indeed, and we want him to expend his capital within the confines of this country, and in British Columbia particularly, if we can induce him to come out there.

I was sorry to notice in some of the newspapers, after some remarks made in this house, an effort to give the impression that the Conservative party was opposed to the Canadian National Railways. This is absurd on the face of it, because the Canadian National Railways were brought into being by the action of the Conservative party, and this party has supported them through thick and thin until now the Canadian National is one of the most important organizations in the country. It has a great deal to do with the development of this country, just as has the Canadian Pacific, and in British Columbia we appreciate what they are doing there. They have a very fine lot of men in charge of the Canadian National railways—and they have improved their service very greatly as regards the handling of both freight and passengers. They can rest assured that the Conservative party will stand strongly behind them and see that they get fair play under all conditions.

The other day, listening to the Minister of Trade and Commerce (Mr. Malcolm) stressing the fact that there was seasonal unemployment in Canada, I could not help wondering just how he ever expected to have anything else under the Liberal policy. Why, in the matter of the attempt to have our northern dairymen produce butter on one cent protection as compared with a country where spring conditions exist, let me say that no less than 103,000 cows were shipped out of Ontario in 1927. Now to take care of that number of cows, at least 5,000 men would be employed. Where did they go when those cows left this country? Either they went to the cities and joined the unemployed, or

probably they went to the United States. While the minister stressed the fact that this unemployment was seasonal, he offered no remedies whatever. I want to say that British Columbia is very much interested in this question, for the reason that thousands of harvesters are shipped out to the prairies from the east during the harvest season, and a great many of these men drift across the mountains and to the Pacific coast, seriously interfering with the labour men who are there. The labour men on the Pacific coast are men who in many cases have their own homes and have to pay taxes, and yet they have to meet with this unfair competition. Those who are unemployed and are needing support of some kind during the winter months have to be carried by our province, and by the municipalities and the cities. The minister in his remarks clearly indicated that this was a Dominion-wide problem. The Conservatives, Mr. Speaker, have a lurking idea that if they could get into power and introduce their policy of running Canada for the benefit of Canadians, this situation would be alleviated to a very great extent. But if the Liberals are going to remain in power they should devise ways and means of taking care of those who are bound to be unemployed as a result of the Liberal policy.

The Home Bank legislation is another matter to which I would like to refer briefly in passing. The house will remember that this bank failed some time ago, and that certain sums were voted by this house for the purpose of relieving a certain number of the depositors to the extent of some 35 per cent of their loss. The bill passed this house but was thrown out by the Senate, and later an amended bill was put through, and the result has been that the funds voted at that time have not proved sufficient for the purpose, that while some early applicants have received their 35 per cent, others have received much less, and some none at all, although they are just as deserving as those who have been paid. It is estimated that a further $450,000 will be necessary to carry out the intention of parliament in the act which was passed in 1925, and I would call the attention of the government to the necessity of taking action along this line at this present session if possible, in order to carry out the intention of parliament and act in good faith with these people.

While the government has been emphasizing the necessity of extended markets and the establishment of embassies in different parts of the world—certainly the extension of our markets is quite O.K., and I endorse it to the fullest extent—still I feel that we are not making the best use of the opportunities offered to us in Canada. I feel that we should make a very thorough survey of our opportunities for development in industry and also in agriculture, that we should carefully examine the list of imports coming in from the United States and select those articles which we can produce here at a profit, and then concentrate on their production with a view to keeping that money at home for the use of our Canadian people and alleviating the seasonal unemployment that was referred to by the Minister of Trade and Commerce.

There is another matter in connection with the development of our industries in Canada which is very important indeed. In a country like this, with a sparse population and long hauls, the freight bills which it is necessary to pay for the handling of these products is a very important factor indeed, and the nearer to the point of production we can get our goods consumed, the more there will be for the producer. We recognize that the farmer today is facing many disadvantages to which he was not subjected some years ago. He is facing greater costs, because labour has been sensible enough to form unions for its own protection, and it has raised the standards of living in this country, which is very much to be approved. By organizing in this way they have been able to provide themselves with comfortable homes which they were not able to possess some years ago. But all this has added to the cost of living for the farmer and the cost of carrying on his work. In addition, the farmer has experienced some increase in farm wages, but on the other hand he is in some cases receiving greater prices for his products. The buying power of the man who is working for wages has increased, and he is now paying bigger prices for the products he requires than he did before. The farmer, too, might help himself in this regard and vastly improve his condition. In the first place, the average dairy cow in Canada yields 150 pounds of butter fat per year. We have many cows that are producing very much more than that. The milk product alone of our average cow would be less than 3,000 pounds, while we have other cows that have produced over 30,000 pounds, showing the difference between the very good and the very bad. In addition to that, we find that thousands of our cattle in very thin condition are rushed to market in the various centres where stockyards are located, such as Calgary, Vancouver, Edmonton, Winnipeg, Toronto, Montreal, with the result that they lose a great deal through lack of weight, and fetch poor prices. The farmer by improving these conditions can place himself in a much more favourable posi-

tion. Of the average animals for beef that go through our inspection abattoirs, let me say that only ten per cent are good enough in quality to compete with the Argentine beef which is shipped to the London market, showing that we have yet to do a great deal in improving the quality of our product. The farmer might take a generous view of the situation and do this just as an act of mercy to the poor Canadian consumer.

We all recognize the fact that nothing is of more importance to Canada than to place agriculture on a good, sound, prosperous basis. To do that we must remove as far as possible the farmer's disabilities. The budget promises nothing in this direction. The Canadian farmer is faced by the competition of the farmer in the southern United States, Mexico and California, who ships his products much earlier in the season, and has the further advantage of cheap Mexican labour. Mexicans cross by the thousand every year to work in the vegetable and fruit growing districts of the southern states, so that the Canadian farmer has to face the competition of fruits and vegetables produced under peon labour conditions. Then again the man down there very often will have a few acres devoted to a certain class of vegetables and sell the main portion of his crop to good advantage in his own market and rush the tail end of his crop to this country, to compete with the producer here who is just getting his first crop on the market. The same thing is true of fruit and eggs. We have prayed to the government for protection along these lines ever since the passing of the Fordney tariff, but without result. The very last failure on the part of this government to show its appreciation of agriculture and its importance to the country was to ask our farmers to produce butter with a protection of only one cent a pound, while butter is produced on the grass and brought up here at a season of the year when our winter production is at the highest peak of cost. Yet our farmers are asked to produce butter under those conditions with a protection of only one cent a pound, while their competitors in the United States receive twelve cents a pound protection for their goods.

One branch of our agriculture has been seriously neglected for many years. It is a very valuable branch of the industry and is essential to the development of this country. I refer to the sheep industry. We know the value of sheep, the cleaning effect they have on the farm; for they consume weeds and everything good to eat in the form of green food. They are produced at a very low cost, and they save the farmer many a long trip to the country store for meat. Another point in their favour is that they yield two crops during the year—a crop of wool and a crop of lamb. Still another point in favour of the sheep industry is that a farmer can go into it with very little outlay indeed. Sheep will do well in any part of Canada, for we are not affected by drought as they are in Australia and some other countries. The achievements of our breeders at the various exhibitions are simply an index of what can be done here in raising sheep of the finest quality. We all know Colonel McEwen, of Ontario, who on several occasions has won the first prize at the Chicago International Exhibition for the best carload of lambs, produced in and shipped from Canada.

We have done very little in a real way to support the sheep industry, and the figures I am about to give the house will be very interesting in this connection. While we have given prizes at exhibitions to encourage our farmers to produce better sheep, while we have formed sheep clubs in various parts of the country, while we have distributed pure bred sires—and all this has had some effect, yet the general effect, taking the whole Dominion into consideration, is seen in the fact that the development of the industry during the last fifty-six years is nothing to be proud of. For instance, our sheep population in 1871 was 3,155,509; in 1927 the estimated figure was only 3,262,706, indicating that there is something radically wrong with our sheep industry because we have had immense increases in our cattle, in our horses—so long as horses were in use—and in swine, poultry and so forth, but with regard to our sheep we are practically where we were fifty-seven years ago.

What is that something that is radically wrong? Apparently it is the fact that our wool has been unprotected for very many years—I think perhaps over the whole of this period. Let us compare this for a moment with conditions in the United States. They have had a tariff on wool since 1816, except for a short period during the war. They took off their tariff in 1913 because there was a great demand for wool probably anticipating what was going to happen, and by 1921 the United States was simply flooded with wool of all kinds. The tariff was put on again in 1921, running from 15 to 45 cents a pound. The sheep population of the United States now stands at 44,455,000, the increase being 6.5 per cent during last year, or nearly as much as the whole sheep population of Canada, while our sheep population is, as I have said, practically the same as it was

fifty-seven years ago with free trade in wool prevailing here. That fact alone should occasion a good deal of thought.

Now, this country is capable of carrying more sheep than the United States. We have a vast grazing area, and we can build up a huge industry just as soon as the government comes to the conclusion that it must run this country for the benefit of the people who live here and pay the taxes. While we can grow sheep in any part of the Dominion, and grow them to perfection, I think we have in the province of British Columbia one of the greatest potential sheep areas on the continent of North America. I make this statement without fear of contradiction, for I have been connected with agriculture all my life and have travelled over the greater part of this continent. In 1871 statements were made by prominent easterners that the Canadian Pacific Railway would never get enough traffic to pay for the axle grease used in the operation of the road. We were also told that all the capital in the British Empire could not complete the road and operate it after it was built. At that time the country west of the Alberta boundary was described as a "sea of mountains." Well that sea of mountains has proven to be a tremendous asset. In the first place, we have there a crop which we can reap every year—scenery. We are selling it to the tourists of the world to the extent of millions of dollars a year. And there is one very important feature about this crop: all you have to do is to reap it; it was sown years and years ago. It is there and will remain a valuable asset just as long as any of us are interested. Then we have in those mountains vast mineral deposits, having sold only last year over seventy million dollars' worth of minerals in the province of British Columbia. In addition to that, we have in the valleys and foothills a potential sheep country second to none anywhere. We have there about 160,000,000 acres of range land, about 100,000,000 acres of timber range, and 60,000,000 of open range, all ideal for live stock conditions, and much of it excellent for the production of sheep. Sheep there can not only graze on the grass but they can also browse under conditions that they enjoy so much and under which they thrive very well.

Let us glance for a moment at the United States by way of comparison. Their new range is about exhausted; they have about reached their peak in the production of sheep at present cost, and any increase in their flocks now will have to be carried out largely on the farms and consequently at added cost of production. Their present ranges have been over-stocked to a considerable extent. The four states lying just south of British Columbia—Montana, Idaho, Washington and Oregon—a little larger in area than the province of British Columbia, are using about 69.75 per cent of their available range, while British Columbia, with 160,000,000 acres, is to-day using only 6.25. Government experts in British Columbia advise us that we have sufficient arable land in the country to winter feed all the live stock that could be raised on that 160,000,000 acres. What is the value of the live stock at present using the British Columbia ranges? Only $12,000,000; and if all that range were put into use the potential value would be $240,000,000. The feeding season in British Columbia has no very serious difficulties. We feed from three to four months, depending upon conditions. I am speaking of range sheep. The period is three or four months, the longer period when there is a severe winter. It requires from two to three pounds of good hay per day to carry sheep over the winter, and not so much when the range is open in a mild winter. At the present time there are less than 100,000 sheep in British Columbia. One farmer with whom I was speaking a short time before I left told me that his lambs had averaged last fall, 80 pounds each. Some of the flocks on the range clip as high as 10 pounds of wool per ewe. One rancher sold his lamb crop for $30,000 last year, and these were produced on grass in the province which has been going to waste for hundreds of years. We have millions of acres of land available for production of sheep.

Predatory animals are not a serious menace. The usual method of coping with them out there is to trap them, poison them, or employ other destructive methods; the plan during the winter season is to trap over the range which will be used the following year. By so doing, many of the predatory animals are got rid of. We have good dog laws, and they are so arranged that they can immediately be put into effect upon a district being designated a sheep district. There is a splendid opportunity for the production of pure bred sheep in Canada and good prices are obtained for Canadian sheep. One of our Ontario breeders two years ago sold a single animal for $1,000. Our sheep are now known throughout the world. We have been shipping across the Pacific and to the United States and other places for many years.

As regards the production of fine wool, it has been said that Canadians are unable to produce wool of as fine a quality as that produced in Australia. This is perhaps true in regard to some specially fine merino grades,

but I am sure that research and careful breeding and feeding would bring satisfactory results; and in a province like British Columbia, where we have a varied climate and varied soils and conditions, it would be quite possible by careful handling to produce wools of a fine quality. This presents an opportunity for our research bureau to carry out some investigation along these lines.

I ask you, Mr. Speaker, is it not good business to develop our opportunities at home—just such opportunities as I have been describing? I am quite convinced that with a well organized effort, and going after it persistently and carefully on a well laid plan, we could add greatly to our agricultural wealth in Canada through the development of the sheep industry. We should encourage the manufacture of wool in this country. After all, our first business in carrying on the government of Canada is to care for the wants of this country; let us put our own business on a good sound basis and we can go further afield later on.

Besides the fact that our wool growers face world-wide competition without any protection, the Minister of Finance (Mr. Robb), in the very budget we have under consideration at the moment, has removed all restrictions on rags, waste and trash of various kinds coming into Canada. It is bad enough to use our own rags and trash and waste of every description, having such material made into shoddy to compete with the local producer. But why should we accommodate ourselves to the rest of the world? What have we to do with their rags and trash? It would be better for us to produce wool from live sheep and make clothing than to use rags and trash coming from other countries.

Taking the budget as a whole, I must say that the Minister of Finance has certainly been very generous with other parts of the world; he has been more generous with foreign countries than with Canada, instead of building up Canada first.

Mr. M. F. HEPBURN (West Elgin): In his introductory remarks the hon. gentleman who has just taken his seat (Mr. Tolmie), referred to the statement made yesterday by the hon. member for East Essex (Mr. Odette), to the effect that the United States Steel Corporation had begun production in their steel plants at Ojibway. If the hon. member will look more closely he will see, further down the page, that the hon. member said:

> In any event, they have announced that they are starting their plants in Ojibway and will manufacture steel in Canada. . . . The industries that I have enumerated are actually in operation or about to commence operation.
>
> [Mr. Tolmie.]

The hon. member for South Essex (Mr. Gott), stretched the point somewhat finely, but the fact remains that these two plants are being prepared for production and the company have announced that production will begin shortly.

Mr. GOTT: The company says that there is no production; that is the wire.

Mr. HEPBURN: They are about to begin production.

Mr. GOTT: They say not.

Mr. HEPBURN: It is obvious that if they build a plant they intend to produce something. At any rate the point has been pretty finely drawn. Now, I have followed with considerable interest this debate so far as it has gone, and I cannot help feeling that a good deal of time is lost in these discussions which follow the budget speech and the speech from the throne. Probably it would be better if we were to follow the example set by Great Britain in this regard and shorten these debates to three or four days each, devoting more time to the discussion of the estimates and bills coming before the house. In these debates, however, we are able to hear discussed in this house the many diversified problems of the country and to elicit the views of various members representing constituencies throughout Canada. In the past week, I fear, the members of this house have been bending their energies more in the direction of delivering fine campaign speeches than of giving constructive suggestions to the government of the day. In referring to speeches given by members of the opposition, I desire to congratulate the hon. member for North Huron (Mr. Spotton), on his very able and fluent address delivered last night, and in passing I would also compliment my good friend the hon. member for South Essex (Mr. Gott), upon the efficient manner in which he read his speech to the house yesterday.

I feel that the bulk of the Conservative members have been very fair in their criticism and we have heard some very able and constructive addresses. Particularly would I refer to the two young members from the maritime provinces who sit across the floor, the hon. member for Inverness (Mr. Macdougall) and the hon. member for Queens-Lunenburg (Mr. Ernst); and coupled with their names I would mention that of my good friend the hon. member for Hants-Kings (Mr. Ilsley), who sits behind me, and whom I would congratulate. It reflects credit on the people of the maritimes that they should send such men to parliament.

Coming down to the four parties who sit in the southeast corner of the house, they consider themselves bound together by a common ideal and by an equal status, in no way subordinate one to the other. They are all obsessed with the one idea that they have no politics. Politics, Mr. Speaker, is defined as the science of government, and when they say they have no politics I have no quarrel with them. I do say, however, that we in this corner of the house have been subjected to severe arraignments, admonitions, charges of betrayal and insincerity, and if it were not for the fact that those charges go beyond this house I would consider it beneath my dignity to even reply. I feel, however, that if we allow them to go unanswered we will probably earn the contempt of hon. members opposite, and rightly so. On Tuesday last we were favoured with a very eloquent phillipic, if I may use the term, by the hon. member for Southeast Grey (Miss Macphail). Speeches by the hon. member are not uncommon in western Ontario and even in the west, because she has the habit of making periodic crusades over the country seeking whom she may devour and incidentally, and as a side line, making the world safe for democracy. I am sure that when her forty minute allowance expired she had few unuttered thoughts in her mind so far as the evils of the Liberal party were concerned and to those of us sitting on this side of the house who were the objects of her attack on that particular occasion I am sure that not even exceeding the old age pensions the forty minute rule appeared to be the most humanitarian legislation ever enforced in this house.

Mr. CHAPLIN: That applies now, also.

Mr. HEPBURN: Take your medicine. In her ramifications the hon. member for Southeast Grey took the opportunity to criticize the educational system of this country, as she usually does when speaking. I quote her very words:

> I should like to know why some fellow, with a fossilized brain sitting in some office in some government service, should direct the kind of education which the children of farmers are to have. . . .

Miss MACPHAIL: I say it again.

Mr. HEPBURN: In the Parliamentary Guide, which speaks of the great and the near-great in this house, I find that the hon. member has a school teacher's certificate, which no doubt qualifies her to make such observations with regard to those at the head of the educational system in our province. I would suggest to the hon. member for Fort Willian (Mr. Manion), by reason of the fact that he has found a way to get on the payroll of the Ontario government, that he see the Premier of Ontario, who is also the Minister of Education, and find out if a place cannot be made for the hon. member for Southeast Grey as Minister of Education for this province. I do not think she would have any scruples in having her indemnity supplemented by $7,500 per year; that is one of the ideals she has discarded since coming to this house, and she is now willing to take as much money as anyone else in the house.

Miss MACPHAIL: I feel that I am worth it now.

Mr. HEPBURN: Possibly; I am not disputing that. The hon. member has her own opinions on that point. I hope however, that she will not see fit to write such sentiments to the school children of the county of Grey, as she usually does. I recall that she gained a good deal of publicity some time ago by school circular letters, and I believe these sentiments would be dangerous doctrines to implant in the fertile minds of our school children. It would sow the seeds of disrespect for educational authority.

The hon. member advocates occupational group government. It is a peculiar thing that in the province of Ontario, which I believe is on a par with any other province in ability, integrity and good judgment, only one member advocates such form of government. It is an old, worn-out method, and I do not believe it is applicable to the conditions existing to-day. It is all very well to make an appeal to prejudice, but I say in all sincerity that if you cannot cooperate in a riding and send someone to represent all interests here our system is of no avail. How can you send a farmer to represent farmers and a doctor to represent the doctors and expect them to cooperate here? I believe cooperation should begin right in the constituency. I do not believe for a moment that the views of the hon. member really reflect the sentiments of the people of the county of Grey.

Mr. IRVINE: May I ask the hon. member a question?

Mr. HEPBURN: I am in an amiable mood; you may ask anything.

Mr. IRVINE: Would the hon. gentleman explain how a western farmer, who is busy every day, could cooperate with an eastern manufacturer in his constituency?

Mr. HEPBURN: I would ask my hon. friend if he is a farmer?

Mr. IRVINE: Yes, I am.

Mr. HEPBURN: That is all I want to know; I will deal with your question later on.

Mr. IRVINE: Do not forget it.

Mr. HEPBURN: You may recall it to my attention if I forget. This idea of occupational group government is not understood by a hundred people in this country. If you selected a dozen people in the county of Grey and asked them what occupational group government meant, I doubt if one could tell you. From that fact my deduction is that the ideas of the hon. member are not endorsed by the people of Grey, and I believe her election can be attributed to the novelty of voting for the only lady member of this house. I believe I would be tempted to vote for her myself if I resided in her constituency.

Miss MACPHAIL: I am not so badly in need of votes.

Mr. HEPBURN: Unfortunately the hon. member cannot help who votes for her. However, as I was saying I do not believe the hon. member represents the views of the riding, and I do not think she represents the sentiments of the women of Canada. In a speech the other day she said, "I hate housework, I abhor it." That was not the sentiment of the women who helped pioneer this country, and who deserve all the credit we can give them for the heritage we have received.

Mr. GOTT: Will the hon. member permit a question? He said the hon. member for South Essex had the audacity to read his speech, and I would ask the hon. member if he is not reading his own speech.

Mr. HEPBURN: No, I am simply referring to notes and I am quoting from a press report as well. The fact remains that they are still selling wedding rings, so I take it that the hon. member neither represents the sentiments of her riding nor the sentiments of the women of this country.

Miss MACPHAIL: Must wedding rings and housework necessarily mean the same thing?

Mr. HEPBURN: You do not know anything about it and it would take too long to explain. The hon. member went on to say:

> I know so many men who in their own homes like to be little gods, dispensing justice and mercy.

I am sorry she has that biased opinion; I think perhaps she got it from her association with the hon. members who sit around her, because that is exactly the attitude which they maintain in this house.

Mr. SPEAKMAN: A Daniel come to judgment!

Mr. HEPBURN: I am glad you do not like it. It is a relief to this country that those hon. members sitting opposite, having extreme views, are not in a position to put them into effect, because I think that would be a very expensive experiment for this country.

Miss MACPHAIL: Mr. Speaker, I believe the hon. member who is speaking should tell where he obtained the quotation which he last gave the house. He referred to a speech made by myself as though it had been made in this house.

Mr. HEPBURN: The speech to which I refer was delivered before the Lions club in Ottawa.

Miss MACPHAIL: I believe it was titled a humorous speech, if the hon. member would read it all.

Mr. HEPBURN: It was a speech, at all events. It is a good thing that in this country we have men of outstanding ability in the cabinet, men who have proved their ability in administrative work before entering the cabinet, and I think it is as vexing to the country as to the members on this side of the house to see hon. members opposite cloak themselves in that sanctimonious air, tilt their noses upward and point fingers of scorn in our direction. In particular the Progressive members on this side of the house have been censured, but I want to say that the Progressive members over here are cooperating with the government and are accepting the responsibility of government, and their efforts are bearing fruit. Hon. members opposite do not want the responsibility of government, if they will only be frank and tell us their real purpose in the house. The Minister of Railways described it exactly the other day, I believe, when he said hon. members opposite want the balance of power in this house to be able to bludgeon the government into submission. They do not want a democracy; they want an autocracy with themselves in the saddle, and that is their real purpose here. Those hon. members in question trade on prejudices, and sow the seed of disrespect for public men and public institutions. They must necessarily be fomenting some imaginary grievance constantly to justify their existence. I would refer here to the hon. member for Mackenzie (Mr. Campbell) who in this house

on Monday charged this government with holding office by fraud and deception. I do not know how much the hon. member knows about fraud himself, but I can vouch that that what he knew about deception cost him $1,500 in the civil courts last summer when twelve men on a jury refused to believe his word given under oath. In the session of 1926, his voice was raised in righteous indignation in protesting against the Moses Asiz case where a stay of prison sentence was granted allowing a man to start a gaol sentence in the fall instead of in the spring.

Mr. KENNEDY: Does the hon. member approve of the Asiz case?

Mr. HEPBURN: I am merely pointing out the inconsistency of hon. members opposite. I am glad it is having its effect. It is time that some action along this line was taken. Otherwise my hon. friends would go on and sin even more grievously. I am not familiar with the merits of the Asiz case, or the one I am about to cite, but at the time the hon. member for Mackenzie was censuring the government for its actions in this regard he too had successfully pleaded with the department for a stay of jail sentence for a bootlegger regularly convicted in his own riding. It was exactly a parallel case. Consistency is indeed a rare jewel with the hon. member. He practised for political effect the very thing which he denounced.

I should like also to make a passing reference to the hon. member for Bow River (Mr. Garland). He has on various occasions severely criticized this government for its tardiness in bringing down low tariff legislation. He does not believe in special privileges. He is, I believe, a free trader. A few days ago he made a very eloquent plea in this house for the coal industry in his riding, which I am given to understand is owned largely by American capitalists who charge $5 per ton at the mines in Alberta while at the mines in the United States they only charge $2.25 per ton. May I read a few passages from the address of this ardent low tariff man who, I take it, shudders at the thought of any industry not standing on its own feet. My hon. friend said:

> Before I go on with the details of the discussion on this particular point I would like, in passing, to remind the house that in the year 1926 alone Canada expended for foreign fuel and also for freight charges on that fuel to transport it to Canada about $114,000,000.

An hon. MEMBER: What are you quoting from?

Mr. HEPBURN: From page 111 of Hansard, under date of February 2, last. The hon. member goes on to say:

> The central provinces in 1926 paid out for household coal and freight thereon no less than $52,000,000.

Mr. IRVINE: Is the hon. gentleman in order in quoting from a previous debate of this session?

Mr. HEPBURN: It hurts a little now, does it?

Mr. SPEAKER: The hon. member is not in order in quoting from a previous debate during the same session.

Mr. HEPBURN: Very good, Mr. Speaker. But may I say that the hon. member for Bow River made a very compassionate appeal for the coal industry in his riding. He does not ask for the imposition of a duty, as hon. members opposite for the maritime provinces have the courage to do, but he asks that there be a statutory freight rate fixed for Alberta coal. I fear greatly for the political consistency of the free trader member for Bow River. I am afraid he is slipping. The technical experts of both our great transcontinental systems have declared that Alberta coal cannot be profitably hauled to Ontario at a rate that will allow it to compete in Ontario markets. Now, Mr. Speaker, I submit that there are few of us in this house sufficiently versed in technical railway matters to dispute their word. Again the Board of Railway Commissioners themselves, after a very careful investigation, with the assistance of able railway men, found that a fair rate would be $10.07 with actual out of pocket costs $7.22. And our hon. friend takes it upon himself to put these amateurs of railway men on the right track. One thing about the hon. member for Bow River, he certainly is not suffering from that common ailment known as inferiority complex. I have here a clipping from the St. Thomas Times Journal which contains a character sketch of the hon. member for Bow River. I do not know whether this information was supplied by the hon. gentleman himself but if he was the publicity man, he did his duty well. The sketch tells how the hon. gentleman once hired out as a river driver without any previous knowledge of what a peavey or what a pike pole was. It is customary evidently for him to take on jobs he knows nothing about. I should like to remind him in passing that there is a very considerable difference between floating down a river on a log and trying to dictate to the heads of the great transcontinental railway systems of this country. After reading his speech, I was struck at what a loss this country sustained when we hired Sir Henry Thornton instead of the member for Bow River to

pull the Canadian National Railways out of the rut. With a wave of the hand my hon. friend sweeps all the findings of the railway experts into the discard, and by his own figures, arrives at the conclusion that $5.45 is the proper rate. Then he makes a very definite statement. He says that at that rate nobody questions that Alberta coal can be brought down to Ontario to sell in competition with American anthracite. Let me tell the hon. member that even at that figure allowing the average cost of $5 per ton at the mine and $5.45 for freight, which will cost $10.45 at Toronto, experiments show that the coal is lacking in burning qualities as compared with American anthracite. It would take roughtly 1½ tons of Alberta coal to equal the one ton of American. Hence, the equivalent in Alberta coal would cost $15.67 in Toronto or $3.67 above the American price. Even with this fictitious rate set by the hon. member they could not compete. We in Ontario and Quebec use about 4,000,000 tons of domestic coal a year, and I do not think the bringing in of Alberta coal is feasible. I think it would mean the granting of an annual subsidy of something like $40,000,000 to the railways. The whole thing is out of the question, and the hon. member's only object is to foment some little agitation or dangle some little bait in front of his electors. If the hon. member desires to be fair, he should come right out in the open and agitate for a direct subsidy, and I think I know enough about human nature to feel at least that he could find a way to ease his conscience sufficiently to accept such a subsidy. In fact I think he would be willing to take a high tariff —low tariff mixture with a little subsidy thrown in if he thought he could bring home the bacon to his constituents and get them feeding out of the public trough. I would also add for his information that bituminous coal can be laid down at St. Thomas and London for $6.45 per ton duty paid, and that the Alberta coal costing $5 per ton at the mine would have a serious time competing with it. Of course the hon. member must surely know that for the present the transporting of Alberta coal to Ontario is neither feasible nor possible. But it is good political bait, fine stuff, and so our astute political friend who has no politics makes political capital over an impossible situation.

One thing, I admire at least is the candour of the maritime Conservative members. They call a spade a spade, and want protection and increased duty on coal. But before they get protection they ought to explain to us why they do not use their own coal in Nova Scotia, since there was imported into that province last year 132,945 tons.

I am interested in the sub-amendment of the hon. member for East Lambton (Mr. Fansher). There is one thing I can say about the mover of the sub-amendment. I believe he is sincere and probably reflects the political opinions of the vast majority of his constituency. I think we all try to do that. I believe every member of this house is influenced in his tariff views, regardless of his convictions, by the economic interests he represents. Thus we see Toronto represented in this house by high protectionists. They very seldom slip from the narrow path. But they did on one occasion. They went to Winnipeg and their minds became permeated with the low tariff talk of the breezy westerner, and they completely omitted the sacred word "protection" from the platform as drawn up. The only man who had the courage to get up and protest against this was the hon. member for Toronto Northwest (Mr. Church), but his protest was of no more avail than his famous controversy with the megaphone. When they came back home the Tory members of Toronto had a hard time placating the boys who did not go out to Winnipeg and meet the breezy westerners. The Financial Post had to take a hand in the matter and they came to the rescue of those who had wandered from the righteous path. In an editorial dated October 28th that paper said:

> The press of Canada is still attempting to digest the Conservative platform expressed in resolution at the Winnipeg convention. The platform is proving to be exceedingly indigestible. It was, of course, a platform containing many pompous imbecilities, and fortunately for Canada, no one seriously expects the Conservatives to stand by every promise in that platform. An attempt was made to please every section of the country and every class in the country; to steal thunder from the Liberals, and take the wind out of the sails of the Progressives; to make many concessions without incurring any serious enmities. Of course, no platform can be drawn that will accomplish such an impossible task. If public attention were not diverted so largely to discussion of the new leader and to the Meighen-Ferguson row, the platform would bring down the storm of ridicule it merits. As it is further examined in clear detachment from the atmosphere of the convention it is likely to be accepted by Liberals and Conservatives alike, as no adequate expression of the political viewpoint of Canadian Conservatism.

I said a minute ago that we all try to reflect and do reflect the economic needs of our constituencies. That is why we have free traders from the west and high tariff men from the cities. We have also a peculiar mixture: we have a rural constituency represented in this house by a high protectionist,

my good friend the hon. member for South Essex (Mr. Gott). He declares that he is a protectionist. So he is and I say in all sincerity that he surely reflects the tariff sentiments of the people of his riding. I was sorry yesterday that a little controversy arose between the two members for Essex, the hon. member for East Essex (Mr. Odette) and the hon. member for South Essex, because hitherto they have been good friends. It arose over a very little, innocent remark which was intended to be humorous and I ask the indulgence of the house and of the hon. member for South Essex while I read a little poem that was sent to me a moment ago by some budding Shakespeare in this corner of the house, dealing with this matter. It has a little political significance and I would preface my remarks by assuring the hon. member that what I am about to say of him in a few minutes is quite harmless and I would ask him to take this little article as a soft pillow with a brick in it:

Mr. "Gott" got very hot,
And wanted Odette to mention what,
He meant when he said "Me and Gott",
He asked what he inferred,
Gott was caught right on the spot,
And said Odette was talking rot,
The Speaker said, "you're off your dot
Go way back and sit down"
Gott, still hot, said "What"? Why not?
All my tobacco's gone to pot.
The budget hit us such a swat,
We're surely out of luck,
So where? And why? And when? And what?
Would you advise we do for Gott?

Mr. GOTT: That is all rot. What has that to do with the budget?

Mr. HEPBURN: It is just getting in the hon. member's good graces. I said that the hon. member represents one of the most intensive agricultural sections of the Dominion of Canada, that he is a protectionist and that the farmers of that constituency are protectionists. They grow early fruits, vegetables, onions, beans and other farm products which require considerable labour and which can be grown only in parts of Canada where climatic conditions are suitable. These people are now clamouring for protection. When their application was before the tariff board they submitted evidence and there is some merit to their claim. They ask: Why should we be required to buy our necessities of life in a market enhanced in value by tariff protection? Why should we have to buy in the dearest market and sell in the cheapest? As a concrete example, the Department of Agriculture estimated that it cost $2.50 to produce a bushel of beans. In the last fiscal year 595 thousand bushels of beans were imported into Canada at prices as low as $1.53 a bushel, our principal competitors being Belgium and Japan. Were I in favour of protection at all —and I am not prepared to make such a declaration—I would apply it to the basic producers if I applied it anywhere. I would say this in regard to protection that from now on any revision of the tariff as it applies to manufactured articles should be downward. Our tariff troubles began, we might as well face the situation squarely, with the introduction of the national policy. We started out on a wrong foundation and we have been wrong ever since. We bolstered up industry and we are now paying the price. The trouble is that to-day industry has become so complicated and interlocked through tariff protection that it is very hard to make any definite change in the tariff without affecting many industries. That is the reason why the government to-day cannot accept the extreme views of hon. members opposite. They may be right in theory but it cannot be put into practice and the hon. members know that if they were sitting on this side of the house they would not carry out the radical ideas which they expound upon the floor of this house and in regard to which they cast the insinuation against us that we are not sincere in our views. The government has not gone far enough to suit some; it has gone too far to suit others, so that it is probable it has found the happy medium between the two extreme wings without catering too much to either.

A few years ago the manufacturers raised quite a howl when the tariff was cut on agricultural implements, but this government has always carefully considered its tariff moves in such a way that it has never hurt industry seriously because it has been able to draw the line of demarcation between tariffs that are used for exploitation and tariffs that are really and truly protecting a legitimate industry in this country. The implement manufacturers despite the fact that the hon. members for Hamilton and members for other industrial centres where such plants are located protested loudly against tariff reductions, showed last year the greatest profits in their history, the reason being that when they lowered the price so that the farmers could buy their implements they did a bigger volume of business and the industry progressed. There is no need to discuss the automobile tariff reductions, but I may say that I admired the courage of the hon. member for Southeast Grey (Miss Macphail) when she stood up before a delegation of wild, wild women who protested against the tariff change and said that she could not see eye to eye with them on tariff matters.

Miss MACPHAIL: They were not wild at all. They were just ordinary women.

Mr. HEPBURN: I should like now to deal with the budget itself. I am going to vote against the amendment of the hon. member for East Lambton (Mr. Fansher) because I do not hold his extreme views, and I have more in common with the budget itself than with his amendment, although he probably moved it in all sincerity.

I am not so partisan as to say that I swallow the budget in its entirety. I do not think any budget could be brought down that would suit any party or any ten members. You have to take the thing in a broad aspect. You cannot disagree on some minor points and agree on others. You are either for it or against it. I have every reason to congratulate the government on their splendid administrative record. I say in all sincerity and I believe I voice the sentiments of the constituency of West Elgin that the people there are in entire accord with the good administration of this government. It is pleasing to see our trade expanding, our debt and taxes being reduced and our prosperity increasing. These are factors to be taken into consideration before anyone thinks of voting against this particular budget. Because of the financial blunders of the Union government and the Borden government which preceded it, the soldiers who left our shores and fought in France, came back to find the country in debt for practically 100 per cent of the war. In fact these men had to share their burden of the tax for the salary of $1.10 a day which they drew while in the trenches in France.

Mr. ADSHEAD: Fight and pay both.

Mr. HEPBURN: Yes. During the war millionaires in Canada sprang up like mushrooms and there should not be any undue haste in endeavouring to depart entirely from the principle of the income tax. These men should be made to bear a portion of the taxes for some time to come. I realize that there are reasons in favour of the abolition of the income tax. We know that while we can tax capitalists in this country, there is a great country to the south where taxation is lower and as there is no way of keeping them in this country and as there is a multiplication of income taxation here, municipal, provincial and federal, we have every reason to believe many of these men will go out of the country and be out of our sphere of taxation forever. That must be taken into consideration, but before any further move is made in regard to a reduction of the income tax, the matter should be carefully considered because I happen at the present time to be sitting on a special committee of this house investigating the problems of returned soldiers and my opinion is that we are only on the fringe of what our pension bill will ultimately be. I think the hon. member for East Calgary (Mr. Adshead) who sits across the floor will agree with me that it has been the history of most countries that they do not reach the peak of their pension costs until many years after the war is over. I am not a pessimist, but I would not be surprised to see the pension bill of this country mount up to double the present cost and that within the next fifteen or twenty years. There are in Canada thousands of returned men whose health has been undermined by the hardships which they endured in France, and the government of the day, whatever it happens to be, cannot escape the responsibility of taking care of those men.

I want to deal for a moment or two with our friends of the official opposition. The chief criticism of our Conservative friends that is levelled against the government is the bugaboo about the emigration of Canadians to the United States.

It is true that in years past Canadians did go to the United States, and they will continue to go in the years to come. Likewise Americans have come to Canada in years past; I believe that since 1921, 169,000 Americans have come to this country, and I presume they will keep on coming in the future. I do not think there is anything to be alarmed about, because there will always be this exchange of people between the two countries. It is obvious that when we are enjoying good times in Canada, such as we usually do under a Liberal government, there is less likelihood of our people emigrating, and more likelihood of people immigrating to this country. I think if our friends of the official opposition are really sincere in their efforts to stop the exodus to the United States they ought to see to it that this government is kept in power for a long time in order that good times may continue, and not be interrupted by the advent of the Conservative regime.

We who live near the American border feel that the United States has reached the peak of her development; with her great man power and immense gold reserves, she cannot remain neutral. Capital will seek new fields for investment and labour will follow. In this regard I think the proximity of the United States to Canada is a great asset to us. Already in northern Ontario, northern Quebec, and in the west, principally in Manitoba, the mining industry is feeling the bene-

ficial results of the influx of Americans and American capital. The immigrant who comes here from the United States with capital of his own, who comes unsolicited, is a very desirable immigrant. Only the other day I read that in the American west there were thousands of American farmers with capital only awaiting the coming of spring to move to western Canada and buy farms. For that reason I think the very friendliest of relations should exist, as they have in the past, between Canada and the United States. The bright star on the horizon for Canadian agriculture is the prospective market in the United States for our high class products. The United States is rapidly changing from a food-exporting to a food-importing country. I have a press clipping here which I shall not read because I do not like to have my hon. friend from South Essex glaring at me when I am reading—

Mr. GOTT: You have read it all.

Mr. HEPBURN: The Minister of Agriculture for the province of Ontario is what I consider a very candid Conservative, and I have a great deal of admiration and respect for him. He represents in the Ontario house the constituency next my own, and I value his friendship. Speaking in southern Ontario only a short time ago he said that he hoped the time would soon come when the tariff barriers between Canada and the United States would be swept aside because there was the future market for Canadian agriculture, and upon our ability to market our goods in the United States depended to a very great extent the prosperity of Canadian agriculture. Trade figures show that we are becoming firmly established in that market despite the fact that we have the Fordney tariff applied against us because of the defeat of reciprocity in 1911. We are still suffering from the loss of that agreement. The question of improving trade relations between the two countries is of paramount importance, and for that reason I think it is of even greater importance that we should have in power in Canada a government which is on friendly terms with the American people and that we should see to it that our friends of the Conservative party who have been very prone to stir up international prejudice between the two countries are kept out of power. They coined a phrase in 1911, "No truck or trade with the Yankees." That jarred on American sensibilities. A few days ago we had a visit from Secretary Kellogg of the United States, and I was glad that while he was in the chamber no Conservative member was enunciating that part of the Winnipeg policy in favour of an all-Canadian waterway, in contravention of our international agreement established through one hundred years of common usage. I was mighty pleased that the hon. member for Northwest Toronto (Mr. Church) was out of his seat at the time and was not delivering one of his usual orations in condemnation of our official representative at Washington. I was pleased also that a debate on the purchase of our legation at Washington such as we had last year was not taking place, because if anything ever cheapened the Conservative party in the minds of the American people it was the debate carried on here last year in opposition to the purchase of that legation. We all know that it was purely a business transaction which would have been carried out whatever government was in power, that even our friends across the floor would have done the same thing had they been in power. The Conservatives used the purchase of that legation as a bit of propaganda, fanned the flame of opposition to white heat, and did not confine their opposition to this chamber, but broadcast their remarks all over the country.

A few nights ago we had a discussion in this house precipitated by the hon. member for St. Lawrence-St. George (Mr. Cahan) on the Chicago drainage canal. I am not allowed to read from Hansard, but I want to say that the leader of the opposition (Mr. Bennett) on that occasion dived into past history for the benefit of the present generation, revived the words of ex-President Roosevelt in connection with the famous Alaskan boundary dispute, when Roosevelt stated that if necessary American troops would be used to draw the line if other methods failed. That I think was very poor policy on the part of the hon. gentleman because his words would be broadcast all over the United States the next day. The feeling is growing in that country that the Liberal party in Canada is more friendly towards the people of the United States than the Conservative party, which never loses an opportunity to jar on the sensibilities of the Americans. I am very sorry that I am not allowed to read the very eloquent reply that was made at that time by our admired leader the Prime Minister of Canada. The viewpoint is now generally held among many classes of people in this country that such Tory tactics are poor business; I refer to the retail merchants, the wholesalers, and even the manufacturers.

Coming as I do from southern Ontario I know the magnitude of the American tourist traffic.

Mr. W. E. TUMMON (South Hastings): Mr. Speaker, in taking part in this debate I purpose dealing with only one question. I wish to deal for a while with the movement of Canadians to and from the United States, and particularly so because in the budget speech delivered by the hon. Minister of Finance (Mr. Robb) on February 16 he declared that Canadians were returning home and that Canada was once more building solidly for the future. He wished, I presume, to convey the impression to this house and to the country at large that Canadians were returning in increasing numbers, and that that condition, if such condition exists, was the result of the policies of this government.

Not only is Canada in a unique position because of her situation alongside the highly developed industrial, commercial and agricultural country to the south of us, but also on account of the immigration laws of the United States. Under the strict quota law of the United States, immigrants are not allowed to enter from any other country to a greater extent in one year than two per cent of that nationality resident in the United States, as revealed by their census of 1890, with the exception of two countries, Canada to the north and Mexico to the south; and if newspaper reports are any indication it would appear that that quota law may soon be applied to Mexico and perhaps to Canada. For I believe that at the present time, there is a bill before congress which proposes to make the people of all countries in this hemisphere subject to the quota conditions. The Toronto Globe, in an editorial in its issue of February 28 last, after pointing out that the inclusion of Canada under the quota provisions, would probably reduce to one-third the number of Canadian born going to the United States, gives its opinion of the effect upon Canada of bringing this country under the quota. It says:

> In the long run the result would be the cutting off of Boston's export of shoes to Canada, of the silks, cottons and dress fabrics of New England, and the motor cars of Detroit, and the making at home of the goods that young Canadians now go abroad to produce. The readjustment might be painful for a time, but Canada has had similar economic problems to face under the operation of the McKinley, Dingley and Fordney tariffs. If Canadian workers, as well as Canadian goods, are to encounter laws of exclusion, we shall find ways of living comfortably in a more self-contained way at home, and of competing effectively against American products in the open markets of the world. David's chances in that form of warfare are quite as good as Goliath's.

Now, I am not expressing any opinion as to the advisability or otherwise of Canada being brought under the quota law. I am simply referring to the condition which the Globe pictures would happen if this country were so affected. If that is the condition that would follow here, then I wonder why we do not unite now to bring about that condition as the law is to-day without waiting seemingly to be forced into the position forecast by the Globe. It is the condition that we on this side of the house have been contending for and believe should be maintained here in order to counteract the effect of the present United States quota law in its relation to Canada. I cannot, however, agree that such a readjustment might be painful, nor can I subscribe to the inference contained in the editorial that boots, shoes, silks, cottons, dress fabrics, motor cars, and other products of the United States should be permitted to come into Canada in exchange for the easy entrance of our native-born into that country. If that is the inference to be drawn, or if that is the condition to-day, then I think the exchange is most unbalanced, unfair, and wholly one-sided. I think, however, that the Globe in its editorial now admits that it is much better to build up a nation in Canada than to try to build up a nation elsewhere.

Coming back to the condition in Canada, as a result of the United States quota law, and without wishing to discuss the reasons which prompted the United States government to enact that law, it must not be forgotten that it created for us a condition which I think we cannot afford to overlook; for I consider it constitutes one of the most serious problems with which we have to contend. In short, the United States decided that she would no longer attempt to absorb unrestricted immigration, and she practically closed her doors, but she left the door wide open with respect to our native-born; for the quota applies only to those of our people who have become Canadians by adoption or naturalization. The result is that the United States opens its doors to our Canadian-born, the very type of citizens we must retain, if we are to maintain that strong British-Canadian sentiment that we so much admire and that is so essential to the full development of the Dominion. In other words, the United States are getting from this country the highest type of immigrant that it is possible to obtain—those born on the North American continent, speaking the same language, and for the most part holding the same traditions and used to freedom of political thought and action along constitutional lines. In short, they are the most easily assimilated and the very highest type of citizen that any country could wish to

have. I repeat, sir, that this is one of the most serious problems with which Canada has to deal.

What is the government doing to cope with the situation? I have sat in this house going on three sessions, and I have yet to hear the Prime Minister (Mr. Mackenzie King) or any member of his cabinet say that they are doing anything to meet this problem—a problem so grave that it demands the most serious attention not only of the government but of every member of this house. I do not believe the time will ever come when there will not be a certain degree of coming and going between the people of the two countries, but I do believe the number of native-born citizens that Canada has been called upon to lose to the United States during the past few years is out of all proportion to the number that one might reasonably expect to leave this country. At page 8 of the report of the Department of Immigration and Colonization will be found some figures of the number of Canadian citizens who, the department claims, have returned from the United States during the past three fiscal years. I have heard some comment outside this house as to just how much value should be attached to those figures, but they are the only records we have, and I am willing to take them for what they are worth. We are told that for the fiscal years 1925, 1926 and 1927 there have returned to Canada 125,974 Canadian-born, 13,915 British subjects who had acquired Canadian domicile before going to the United States, and 8,064 naturalized Canadian citizens—the total returning to Canada during that period being 147,953. We are glad to know that some have returned, but the trouble is that for every one that returns, from two to three are going to the United States. Wishing to know what the first ten months of this fiscal year would show, I made inquiries at the Department of Immigration and Colonization. I am told that for the ten months of this fiscal year, April 1 to January 30, a total of 35,405 Canadian citizens of all classes have returned. Knowing these figures, let us compare the first ten months of this fiscal year, 1927-28, with the corresponding ten months of the three previous fiscal years. In the first ten months of the fiscal year 1924-25 there returned 39,032; in 1925-26, 37,863; in 1926-27, 50,898; and in the first ten months of 1927-28, as I have stated, 35,405. This statement of the department shows that fewer Canadians of all classes returned to Canada from the United States during the first ten months of the fiscal year ending 1928 than in the corresponding ten months of any of the three previous years: less than the corresponding ten months of 1924-25 by 3,527; less than the corresponding ten months of 1925-26, by 2,458; and less than the corresponding ten months of 1926-27, by 15,493.

Let us make a further comparison. In the absence of figures for February and March to complete the year 1927-28, let us take the average number who have returned in these two months during the three previous years and apply them to this year. We find it gives a total of 42,125. When all the figures for the year are available I think it will be found, indeed, that 42,125 will be more than the number who will have returned, for in the month of January just past there came back only 1,683, the smallest number to return in any one month since the Department of Immigration and Colonization undertook in April, 1924, to keep records. However, taking the estimate for the twelve months as 42,125, the comparison may be made as follows: This year there will be less than 1924-25 by 1,650; less than in 1925-26 by 5,096; and less than in 1926-27 by 14,835.

This does not seem to indicate that Canadians are returning in increasing numbers. But these figures of the Department of Immigration furnish some further very interesting information. We find that, over the entire 46 months of which we have record, the months which show the largest numbers returning from the United States were the months from November, 1925, to September, 1926. You will recall that those were the months following the election of 1925, that election from which emerged the Conservative party with 116 members. In that parliament the Conservative party had the largest group and the indications were that before very long—it was only a matter of time—the party would be afforded an opportunity of putting its policies into effect. Canadians, therefore, began to return immediately thereafter, in increasing numbers and continued to return in large numbers up until the election of 1926, immediately after which they began to fall off. The election of 1925 took place on October 29 and in the first month following the election, November, 4,331 returned in comparison with 2,993 for October, while in December, the second month after the election, the number returning was 7,923. The records of the department show that out of a total number of Canadians who have returned to Canada during the past forty-five months about 35 per cent returned in the eleven months that separated the elections of 1925 and 1926.

Mr. FORKE: What are you reading from?

Mr. BENNETT: Your report.

Mr. TUMMON: I am giving the figures from the report, I have them all here, and inasmuch as the minister challenges my statement I will give them in detail. In order to make this point absolutely clear I propose to compare the corresponding eleven months previous to the 1925 election and the corresponding eleven months following the 1926 election with the eleven months that intervened between the two elections. I have the figures all here in tabulated form and I will put them on Hansard. I will ask hon. members to note that after the month the first number will refer to that month previous to the election of 1925, while the second figure will be for the same month between the two elections, and the last figure for the month following the 1926 election:

Month	Before the 1925 election	Between the elections	After the 1926 election
November	3,186	4,331	3,286
December	3,165	7,923	3,289
January	1,715	4,334	2,297
February	2,012	4,167	2,397
March	2,731	5,191	3,662
April	2,995	6,918	4,209
May	3,211	7,999	5,561
June	2,935	6,084	4,738
July	3,029	6,487	3,530
August	3,667	6,281	3,814
September	2,445	4,221	3,531
	31,091	63,936	40,314

Thus for the eleven months intervening between the elections of 1925 and 1926 there was an increase of 32,845 Canadians returning home over the number returning in the corresponding eleven months before the election of 1925, and an increase of 23,622 over the number returning in the corresponding eleven months following the election of 1926, when this government was returned to office. This demonstrates beyond doubt that Canadians in the United States believed that the policies of the Conservative party would provide them with jobs in Canada, or would at least increase their opportunities to find profitable employment here. At the same time, it demonstrates that the policies of this government are not having the effect of bringing Canadians back from the United States in increasing numbers, as the Minister of Finance evidently wishes the house and the country to believe. I ask the minister and the government to look carefully into this matter, and by so doing I am convinced that they will see that this problem is not being dealt with. Then I hope they will try to find some effective means of meeting this condition, because until that is done it is useless for the

Minister of Railways and Canals (Mr. Dunning) and the Minister of Health (Mr. King) to attempt to argue that the speeches of hon. gentlemen on this side of the house are responsible for Canadians going to the United States. In so doing they are simply acknowledging and broadcasting their own incapacity and that of the government of which they form a part to deal with this question. I would also remind the government of the sentiments expressed in this house during a previous debate by the present leader of the opposition (Mr. Bennett) who stated in effect that the problem is not one of simply getting settlers to go on the land but one of conserving our present population.

Mr. J. F. WHITE (London): Mr. Speaker, in my contribution to this debate I wish to speak particularly with regard to the tariff changes which have been made at various times, and I desire also to make some comparisons of the results of these changes over a rather extended period. I was very much interested in the passages between the hon. member for South Essex (Mr. Gott), the hon. member for East Essex (Mr. Odette), and the hon. member for West Elgin (Mr. Hepburn) with regard to the steel industry, because I have also something to say in that regard. The differences of opinion which arose between the hon. members evidently had their foundation in the policy adopted by the United States Steel Corporation with regard to the question of manufacturing in Canada. I have here a copy of Hardware and Metal, a trade publication under date of February 25, 1928, and without comment I will read a news item which appears as coming from New York:

> James A. Farrel, president United States Steel Corporation, commenting on Montreal despatches indicating that the corporation was establishing branches to make all their present products in Canada, said that such plans were not contemplated. The wire plant now being finished at Ojibway, Ontario, near Windsor, merely represents the removal of machinery from, and abandonment of the Hamilton, Ontario, wire plant.

Since 1922, when the present government assumed office, we have had seven budgets presented to this house. In each of these budgets changes were made in the customs tariff, the most notable being the changes in the textile items this year, the changes in the automobile items of 1926 and the changes in the agricultural implement items of 1924. In all of these changes the tendency has been to lower the duty on the manufactured article and then to compensate the manufacturer by passing on the reduction to the makers of the raw materials entering into the finished article. In other words, the primary producers are

penalized. This year the change has been made in the textile group, and it is rather hard to say just what the result will be; I suppose time alone will tell. As far as I can judge, some kinds of cotton products have received an increased protection, while wool, which was reduced some years ago, has suffered a further reduction this year. It would appear that these changes will make it harder for Canadians to carry on business and will perhaps restrict the spinning of yarn, since yarn is on the free list. If the production of spun yarn declines, of course it means the curtailment of labour and additional unemployment, and the Canadian farmer also loses part of the market for his wool and his foodstuffs in industrial centres. Thus, Mr. Speaker, the need for wider markets becomes apparent, and it is questionable whether the consumer will benefit in the long run by these changes. I am unable to say, and I do not believe anyone in this house can say, how it will work out.

Now I wish to refer to the changes which were made in 1926. In that year the automobile duties were reduced on cars valued at $1,200 and less by 15 per cent and on cars over that figure by 7½ per cent. Then, meeting with much opposition from the manufacturers of automobiles and also from labour, the government softened the effect of the change by a 25 per cent drawback on all material entering into the manufacture of cars, also abolishing the 5 per cent luxury tax. The net result was that the automobile manufacturers were left in almost the same position, with the duty reduced by perhaps 5 per cent, and the blow fell on the producer of the raw material, as in other cases which I will cite later. The loss of the luxury tax affected the public treasury also, of course. This is just another case of passing the loss on to the primary producer, but in spite of all this our production of automobiles fell off by 13 per cent last year, while our importations increased by 28 per cent and our exports declined by 23 per cent. It has been said that the decline in the production of automobiles last year was due to the fact that the Ford Motor Company was not producing automobiles. That is a very interesting explanation of the case but it hardly stands inspection, because in 1925, before the reduction in the duty, there were 8,800 automobiles imported into Canada, while in 1926, eight months of which came after the budget of 1926 was brought down, reducing the duty, our importation increased to 14,900 automobiles, or an increase of 70 per cent. There is no doubt that in the history of nearly every industrial activity there comes a time, after it becomes firmly established, when duties may be reduced, and it may be that in time the reduction in the duty on automobiles will be a benefit to the industry and to the consumers generally. Our short experience, however, from the date of the budget which reduced the duty on automobiles until the present, is not very reassuring.

Hon. members on the other side of the house refer with a great deal of satisfaction to the reduction in duty on automobiles. One of them, in his enthusiasm, said the duties had been reduced and there were now more cars in Canada than ever before, but he did not say where the cars came from. The questions for Canadians to consider are where the automobiles come from; whether Canadian materials entered into their production; how many Canadians earned a livelihood from their manufacture and how many more Canadians might have been employed if this importation had not taken place. Other questions are whether the purchase of more cars abroad helped create an adverse financial balance; whether it built up foreign industries at the expense of our Canadian industries, and whether it tended to restrict the demand for foodstuffs in Canadian cities. There is still another question; did the purchase of these automobiles abroad create a reciprocal market in the country from which they were purchased? No, Mr. Speaker; the market was largely closed to us by the Fordney-McCumber tariff, and by more recent increases, so that at present Canadian farm products are to a great extent refused entry into the United States, and the amount marketed there is but a fraction of what it was in 1921. I would refer the house to the Commercial Intelligence Journal of February 25 of this year, a publication of the Department of Trade and Commerce, which shows, in a long list of products of the farm, our loss in this market. In the month of January, 1921 our exports of farm products to the United States were valued at $12,650,000, while in January, 1928, that figure had dropped to $2,870,000. It also shows that in the year 1921 our sales to the United States were $108,346,000, and in the year 1928 they had dwindled to $30,701,000, or a loss of the market to the extent of 87.3 per cent. The Canadians take the rebuff without any apparent sign of protest, and they continue to buy in the United States, as they did last year, to the tune of an adverse balance of trade amounting to $232,000,000.

Now, Mr. Speaker, I wish to speak about the reductions in the budget of 1924, and they concern particularly the reductions on agricultural implements. On account of the lapse of time a comparison of prices may give us a better appreciation of the general effects

of the changes made by that budget. Hon. members who were in parliament in 1924 will probably remember the debate on the budget of that year and the protest of the then Liberal member for Brantford against the reduction of duties. He, it will be remembered, in common with the present Minister of National Revenue (Mr. Euler) and some other members of the Liberal party voted against their party on that budget. The then member for Brantford stated that he considered the tariff was at the irreducible minimum without the reductions then proposed, and it seems as though subsequent events have confirmed that view. The Liberal government came into power in the last few days of 1921 or the early days of 1922. There has been an all round reduction in 1924 of the customs duties of from 5 to 12½ per cent on agricultural implements. By the same budget, the sales tax, which in 1922 stood at 3 per cent, was abolished. Various materials used in the production of these implements have been reduced to a 6 per cent duty, including bolts and nuts, paints and oils, canvas and things of that kind. Iron and steel used in manufacture were placed on the free list or subject to a 99 per cent drawback. Most of the articles affected were placed on the free list. What is the result? To-day agricultural implements are selling at quite as high or at somewhat higher prices than were charged in 1922 when the Liberal government came into power. In order to demonstrate this, I wish to read the following comparisons of prices, and I may say that these are Ontario prices for deliveries at London, Hamilton and Ottawa, and they are taken from the price list of the International Harvester Company.

		1922	1928
Binders and mowers: Duty was reduced by Liberal government in 1924 from 10 per cent to 6 per cent and sales tax abolished.	7 ft. binder—no attachments	$235 00	$237 00
	6 ft. heavy mower	99 00	98 50
Cultivators, harrows, rakes and drills: Reduced from 12½ per cent to 7½ per cent, and sales tax abolished.	6 ft. cultivator with 9 stiff teeth	92 00	96 00
	7 ft. harrow—14 disc—3 horse	62 00	66 00
Drills: Single disc, 13 disc—2 horse.		147 00	154 00
Western—20 marker combination.	4 pulley hitch	214 00	232 00
10 ft., horse, dump rake, 32 teeth.		52 00	54 00
Hay tedders and hay loaders: Duty reduced from 15 per cent to 10 per cent, and sales tax abolished.	Combined side rake and tedder	121 00	131 50
	Hay loader, steel windrow, with forecarriage	116 00	125 00
Ploughs: Duty reduced from 15 per cent to 10 per cent and sales tax abolished.	No. 121 walking plough—9″ share	23 50	21 50
Land rollers: Duty reduced from 15 per cent to 10 per cent, and sales tax abolished.	8′ 2″ wide	113 00	98 00
Farm wagons: Duty reduced from 17½ per cent to 10 per cent, and sales tax abolished.	Wagon—3¼ skein 2½ x ½ tires	110 00	107 00

This list includes a list of twelve machines of average size and those largely used by Ontario farmers. The total selling price of the list in 1922 was $1,384.50 and in 1928, $1,420. This is an increase of about 2½ per cent, in spite of the reduction in duty and the removal of the sales tax.

The question of the cost of materials, the cost of steel, the cost of labour, may be raised. I would say that they were about the same when this budget was brought down as they were in 1922. Steel on the basis of Pittsburgh prices is a little higher while labour is a little lower, but on the whole together they are about the same. Many claims have been made from the other side of the house as to reductions in the price of agricultural implements. I am not dealing with the increases that occurred during the regime of the Liberal party: I am not dealing with the 100 per cent increase they put on the sales tax, but I am comparing the prices of 1922 with those of the present date.

I should like to make a little further comparison as to the trend of the agricultural implement business and then consider the effect of the tariff on the primary industries or those which supply the raw material to manufacturers of implements. The fact that we imported in 1927 the largest amount in dollars' worth of agricultural implements in our history aroused my curiosity as to what pro-

portion of Canada's needs we were supplying from Canadian factories. The bureau of statistics keeps a record of the value of farm implements made, and a record of exports and imports. Without encumbering Hansard with needless figures, I should like to quote the result of my comparison in percentages. I found that in 1922, the year in which the Liberal party took office, Canada had supplied herself from her own workships with 63 per cent of the agricultural implements she used and consequently she imported 37 per cent.

Mr. BENNETT: Is that the calendar year?

Mr. WHITE (London): The fiscal year. As the manufacturers' records are not complete for 1927 I was compelled to take the figures for 1926, and I found that whereas in 1922 the percentages were 63 per cent for Canadian manufacture and 37 per cent for imports; in 1926 goods of Canadian manufacture used in Canada amounted to only 54 per cent of the total while imports had risen to 46 per cent. There should be a great deal of significance in these figures. There was 9 per cent less manufactured in Canada or just that much more lost to the Canadian workmen and manufacturing establishments, particularly to the workmen, as I shall try to show a little later on. There was 9 per cent more of our needs imported, and yet agricultural implements were no cheaper in 1926 than they were in 1922, in which year we manufactured 63 per cent of our requirements. That is the record as regards agricultural implements to the end of 1926. In 1926 imports and exports of agricultural implements stood at about the same figure, or at about $13,000,000 for each, but in 1927 our imports increased to over $26,000,000, exceeding our exports by $9,500,000. It will be no surprise to me if, when the figures for 1927 are completed, the proportions will be about fifty-fifty—in other words, that Canada is supplying herself now with only one-half of the agricultural implements she uses.

While we have many Canadian manufacturers making agricultural implements, there are two very large companies which are outstanding and which make the bulk of the production. I refer to the International Harvester Company, which has a branch factory in Hamilton, the main office being in Chicago, and to the Massey-Harris Company of Toronto, which has a factory at Batavia and which has recently acquired the J. I. Case Company of Racine, Wisconsin.

Mr. BENNETT: Also one in France.

Mr. WHITE (London): One in France, and also one in Australia. That was due to the Australians imposing a heavy duty on agricultural implements, so that the Massey-Harris people moved to Australia and started manufacturing there. In view of the fact that the Canadian activities of these companies are merely branch plants, it does not make any particular difference to the companies themselves whether their manufacture of implements is carried on in Canada or in the United States. There is no doubt they will carry it on in the cheapest market.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. WHITE (London): Mr. Speaker, when the house rose at six o'clock I had completed that part of my remarks in which I showed that notwithstanding the reduction of 5 to 12½ per cent in duty and the abolition of the sales tax on agricultural implements by the budget of 1924, the price of implements to-day is higher than it was in 1922 when the Liberal government took office. My purpose was to show that when duties are reduced beyond a certain point there is no benefit derived by the consumer, and also that it may and does do harm to many of the industries concerned.

I wish to proceed a little further and consider the effect of the tariff reductions of 1924 on the manufacture of steel and goods of that sort used in the making of implements. Pig iron and rolled steel, of course, are the principal raw materials for the manufacture of agricultural implements. There is also a long list of small items in which steel plays a very large part.

The ordinary general tariff on steel is $7 per ton. It is a specific duty; it does not vary with the price. Prior to 1924 many items had been reduced from time to time until the duty on steel for agricultural implements for domestic use had been reduced by drawbacks to 30, 40 and sometimes 50 per cent, to about $4 per ton. The steel used in making agricultural implements for export was subject to a drawback of 99 per cent. By the budget of 1924 all the steel used in agricultural implements was put on the free list, and all other materials such as bolts, rivets, canvas and things of that kind were put in an item covered by six per cent duty. From this side of the house we protested against that reduction, claiming that it was excessive, that there had been no comprehensive study made of the whole situation, and advising the ministry of the damage we thought would be done to the Canadian iron and steel industry.

No claims had been made as to excessive profits being made, and there had been no complaints, so far as I know, as to there being any combination in restraint of trade in that industry. The government, however, at the instance of the Minister of Finance, swept away the small duties that still remained, with the result that thousands of tons of steel, which mills in Canada are equipped to make, came and are still coming into this country. In the fiscal year ending March, 1925, steel under tariff item 445a came into Canada to the amount of 14,460 tons; in 1926 that had increased to 43,700 tons, in 1927 about the same amount, and for the ten months ending January 31st of this year the imports were 39,000 tons, or at the rate of 47,000 tons for the year.

In addition to that, materials on the six per cent list, largely made of steel, have been coming into Canada during all these years at the rate of about $2,500,000 per year, and last year the figure was $2,600,000, if I remember correctly.

All this has had its effect upon the unemployment situation and its effect upon the migration of our people. The loss which has been suffered by the steel companies is another item which must be reckoned with.

The maritime steel and coal situation has been pretty well discussed in this house and I think hon. gentlemen are fairly well conversant with it, but besides the companies in the maritime provinces there are two other large producers of steel in Canada, as well as many smaller mills scattered throughout the Dominion. One of those larger mills is the Lake Superior Corporation, which has been struggling for years, and last year showed a substantial loss. The other large producer, the Steel Company of Canada, is the only one in the industry in Canada which seems to be making progress. That company is a combination of fourteen or fifteen different companies which before their amalgamation were competing with each other for the Canadian business. A merger or trust, if you like, was formed. Of course I know these words are anathema to Liberals and Progressives alike. We have heard them get up in this house and rail against combines, mergers and trusts, and yet they are quite ready, when the steel industry is concerned, to get up and quote the Steel Company of Canada as a reason why the steel business in this country needs no consideration.

The Steel Company of Canada manufactures many lines from pig iron through all the various operations, including steel ingots, bars, pipe, wire, horse shoes, bolts and nuts, nails, screws, tacks and lead products. Many of these lines have not been affected by the tariff changes. For example, wire nails still pay a duty of $12 per ton, pipe a duty of 30 per cent, and tacks 35 per cent. The Steel Company of Canada also have practically free entry for their fuel. It comes in subject to a drawback of 99 per cent under tariff item 1019 for the manufacture of coke to be used in the melting of metals. The company make coal into coke, and in the process gas, of course, is generated. This gas is used to reheat their steel for use in the finishing mills, consequently they get their fuel in free of duty. There is another thing possibly in their favour. They bring the iron ore down the lakes to Point Edward and then transport it by rail to Hamilton, a distance of about 140 miles, and in so doing I am told they have a very favourable freight rate, in fact the lowest freight rate per ton mile on the American continent. It is so low that even if anything like an approximate rate could be applied to Alberta coal the very optimistic computation of the hon. member for Bow River (Mr. Garland) might be realized. And yet the Steel Company of Canada with all these advantages cannot stem the ever-increasing tide of imports, records of which appear in the government statistics.

Now, Mr. Speaker, just a word on the production of pig iron and steel in Canada. I will compare the production of last year with that of 1913, the year before the war, to show our relative position to-day. In 1913 our pig iron production was 1,015,000 tons; in 1927, 710,000—a decrease of 30 per cent. In the same period the United States increased their production by 27 per cent. In ingots and castings the figures are similar; our production declined 26 per cent while that of the United States increased 45 per cent. Our trade balance in iron and steel with our neighbours is distinctly and increasingly adverse. In 1925 there was an adverse balance of $53,000,000; in 1926, $87,000,000; in 1927, $175,000,000.

In view of this it is pertinent to ask, what solution has the government for this situation—a situation largely induced by its own ill-advised acts. So far as I can discover they offer no solution. They have treated the basic industry of manufacturing iron and steel to drawbacks of duty on automobile materials; 99 per cent drawback on spring steel for automobile springs, and 25 per cent on all other steel. They have also put agricultural implement steel on the free list. We on this side of the house have entered our protest repeatedly against this policy. The report of the Duncan commission, issued on September 23, 1926, urges action, and I should like to

quote section 25, which will be found at page 37 of the report. It is headed, Steel and Customs Tariff, and is as follows:

It was submitted that the tendency of the tariff, as affected by successive alterations, has been to lessen the protection upon the primary products of iron and steel and to encourage their importation from other countries as being the raw materials of iron and steel-fabricating and finishing industries in Canada.

In respect of this matter, we do not conceive it to be our duty to express any opinion, since the question is, as we were informed by the chairman of the Tariff Advisory Board, who met us at our request, at the present moment under the consideration of that board. But we do regard it as our duty to record that the significance of this industry to the maritime provinces was forcibly brought home to us, not only in the manufacturing towns we visited in the maritimes but also throughout the agricultural districts of the maritimes. We record this in order to emphasize the need for prompt action.

Now, Mr. Speaker, after the lapse of one and a half years from the date of that report the government have advanced no remedy for the situation, they have not even shown a disposition to retrace their steps, and in the nature of things it will be another year before any relief is in sight. It is quite possible that some of those interested in this basic industry will have passed out of the picture before any relief arrives. But perhaps I should make an exception in favour of one member of the government, the Minister of Trade and Commerce (Mr. Malcolm). He has suggested that British manufacturers might establish branch plants in Canada. I should like to direct the hon. gentleman's attention to the case of one British company that made the experiment. At the close of the war the Baldwin Steel Company, who have been manufacturing steel sheets in Swansea, Wales, for half a century, installed a sheet mill in Toronto. They found on proceeding to manufacture and market their product that it was an unprofitable venture, on account of steel sheets for galvanizing being on the free list. Thereupon they shut down the plant, and it remained idle for about three years. In 1925, despairing of any tariff relief, they scrapped part of the plant, and last winter they took out the mills and shipped them to England. Now, if Canadians cannot make a success in this basic industry, it would appear from the experience of the Baldwin Company that an English branch factory has no better chance of success here.

I have previously referred to the fact that coal is allowed into Canada free of duty for making coke. This is not an advantage to Nova Scotia. There are only two steel mills concerned in this particular item, and they have the benefit of practically free entry for their coal—a 99 per cent drawback. There are other smaller mills in Canada which compete with these two large concerns, and they have to pay duty on their coal. The fact is that no coke is used in their process, and so they cannot come under the drawback provided for in item 1019. One of these concerns is in my city, and the other is in Selkirk, Manitoba. Up to 1925 the duty on bituminous slack coal was 14 cents per ton. During that session it was increased to 50 cents per ton, and the Minister of Finance stated that he expected this would provide about a million dollars additional revenue. This, of course, was for the most part a burden put on Ontario, but Ontario accepted it without a murmur. Alberta coal has been tried out by the Manitoba concern and found to be unsuitable. They and the other smaller mills use United States coal, and so they have now to pay a duty of 50 cents per ton and compete in the market with the larger mills that have free entry for their coal. This is not just; it is a discrimination as between plants in the same lines of business. In company with hon. members from Winnipeg and the hon. member for Selkirk I have made representations to the Minister of Finance and urged him to bring down some measure to relieve the situation. I hope when the resolutions are being considered that an additional resolution will be introduced by the minister for the purpose.

Now, Mr. Speaker, the government have expressed no concern as to unemployment. There are no items in the budget to provide any relief, and in the speech from the throne they were silent on this subject. It seems to me that proposed reductions in the tariff are about all the answer the government have given to the request for jobs on behalf of our unemployed Canadians. This, of course, brings the matter closely to the amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan). It is becoming a by-word amongst the smaller communities and amongst industries, that as soon as the budgets of the present Minister of Finance are brought down these communities and industries which have not been interfered with breathe a sigh of relief.

I am sorry, sir, that my time is exhausted. I had other items to bring to the attention of the house, but I will deal with them on some other occasion.

Mr. R. K. ANDERSON (Halton): I fear I cannot compliment the Minister of Finance (Mr. Robb) on the presentation of his fifth budget. When I listened to him as he delivered that budget I felt that it was a rather

innocent document, but on reading it over carefully I discovered that it had potentialities for good and evil, and after studying a little more carefully I decided that the evil predominated. Now the public of Canada are studying budgets a little bit more than they used to, and well they may, because the budget has become an instrument in the hands of the minister to make or break people in their struggle for a living.

The budgets of the present Minister of Finance have two striking characteristics that did not appear in the budgets of previous ministers in that office. They are characteristics that are very disturbing to business men, characteristics that drive capital into hiding and retard progress. The first to which I refer is the instability of the tariff. It has become proverbial that no longer have the business men of Canada any security or any idea what the budget may bring forth each year. In 1923 the Right Hon. Mr. Fielding, in delivering his budget, pointed out how essential it was to have tariff stability. At page 2648 of Hansard of that year he is reported as follows: "It is desirable that an assurance of tariff stability should be given to business men * * * * * I think that the tariff as it now stands is fair and reasonable and business men should be able to carry on without the fear of further changes." That is not the condition to-day. It would appear to me that the Minister of Finance has lost his perspective in relation to budgets. He fails to visualize Canada as a whole and to make his budget in the interests of the country. The budget is in his case framed entirely for political effect in the interests of the present government, of which he is a member. Business men throughout Canada will not remain in business under present conditions. Men of ability and of business foresight prefer to watch and wait, to put their capital in hiding in some safe place rather than to use it in expanding industry in this country.

The budget of the Minister of Finance reveals another characteristic, the second one, which to my mind is serious from the standpoint of Canadian industry. The minister has a peculiar habit of paying unwelcome compliments to the industries of Ontario every second year. In 1924 he attacked the agricultural implement industry, and one peculiar fact about that incident was the very docile manner in which the affected industry took the reductions in the tariff. They made no particular protest, which created in my mind the suspicion that they knew what was coming. Some engaged in that industry were very near to the government and it would seem that they got an inkling of what was about to happen and therefore began preparing for the event from 1922 to 1924. Later on I will give my reasons for so thinking. In 1926 the blow came to the automobile industry; it came like a bolt from the blue. There was consternation and the automobile manufacturers came to Ottawa and made their peace with the Minister of Finance, a peace that was satisfactory to him and expensive to the industry. Now in 1928 the textile industry is attacked. In 1923 an increase of 10 per cent in the British preference was given, which had a serious effect on the textile industry of this country, and in 1928 this second attack will be injurious to certain sections of the business. I intend to show that these are largely Ontario industries that are receiving the unwelcome attention of the Minister of Finance and of the government.

Speaking of the attentions of the Minister of Finance to the province of Ontario, it would seem to me that statesmanship is at a rather low ebb in Canada if a province like Ontario or any other province is to be coerced in this manner and used for political purposes, merely because that province is not sending to this government the support which they think it ought to send. I would ask the Minister of Trade and Commerce (Mr. Malcolm), if he were in his seat, a gentleman who enjoys a protection of thirty per cent on his own industry—

An hon. MEMBER: Thirty-five per cent.

Mr. ANDERSON (Halton): No, thirty per cent, I think, on the manufacture of furniture. I say I would ask that gentleman how he can consistently remain in the present government and see other industries treated differently from his own. The Minister of National Revenue (Mr. Euler) has spoken in this house on various occasions and he appears to be consistently in favour of protection, particularly on industries in his own constituency. I believe he is a protectionist. I would ask him also how he can consistently stay in the government while reductions in duty on various industries in Ontario are being made for political reasons. I do not know how the Minister of Public Works (Mr. Elliott) feels about it; I do not know whether he is a free trader or not. He also, however, comes from the province of Ontario. I say therefore that these three men ought to raise their voice in protest against the treatment which the province of Ontario has been receiving.

I remember quite well, when the present Prime Minister (Mr. Mackenzie King) came into this house in 1920 as Leader of the Opposition, how he raised his voice many a time

declaring his ultra democracy, telling the house what a democrat he was. He believed that the people should rule. Yet in eight short years he branches out as an autocrat, trying to coerce Ontario through the Minister of Finance. The Globe newspaper, for nearly fifty years, has carried on one of its pages this dictum of Junius:

> The subject who is truly loyal to the chief magistrate will neither advise nor submit to arbitrary measures.

Yet we find the Prime Minister and the Minister of Finance using arbitrary measures on the province of Ontario.

The reductions which we find in this budget contain nothing at all for the average man in this country. Any one fortunate enough to enjoy a personal income large enough to come under the provisions of the income tax act is quite willing to pay that tax, but as there are only comparatively few of these people in Canada that particular reduction helps no one who really needs help. We can say the same thing about the sales tax; the reduction of one cent on the dollar may help the retail trade but it will never reach the ultimate consumer and he will reap no benefit from it whatever. The labouring man, the artisan, the farmer and the professional man will not be helped in any way by this reduction in the sales tax. Therefore these two items are of no interest to the average Canadian. The Minister of Finance stressed the fact that he was reducing taxation in Canada, stating that $19,000,000 would be handed back to the people this year. Not a cent of that money will go back to the average man, who really needs the reductions. Those who will be benefited are those who do not need help.

With regard to the claim made by the government that they have reduced taxation I wish to submit a comparison of the taxes levied by the Conservative government in the five-year period previous to 1922 and those levied by the Liberal government for the five-year period subsequent to 1922, leaving that year out of consideration. According to the consolidated revenue fund, which represents the taxation levied upon the people of Canada, the figures are as follows:

	Conservative government		Liberal government
1917..	$ 232,701,294	1923..	$ 394,614,900
1918..	260,778,952	1924..	396,837,682
1919..	312,946,747	1925..	346,834,479
1920..	349,746,334	1926..	380,745,505
1921..	434,386,536	1927..	398,695,776
	$1,590,559,863		$1,917,728,342

So, in comparing the five-year periods, it will be seen that the Liberal government extracted from the pockets of the people $327,168,479 more than the Conservatives, which is equal to $179,270 for every day the Liberal government were in office. That does not look very much like a reduction in taxation, nor does it look very much like economy, because the government spent all that money in conducting the business of the country.

Every time this government change the tariff they stimulate the importation of foreign goods into Canada and thus injure our own industry, while every reduction in duties is followed by a flow of emigrants from Canada to some other country, in search of work. This government appear to me to be implementing their tariff policy of 1919, in which they said they believed in a reduction of the British preference to 50 per cent of the general tariff; I believe the Minister of Finance is at that point now, and in some instances is below the 50 per cent level. I believe he is going still further in the direction of the Progressive policy of free trade with England; at any rate, he is nearing the point where we shall have a tariff for revenue only, which appears to be the Liberal policy to-day. Not only is the minister making reductions in the general tariff; he is also going around to the back door and giving preferential treatment to certain favoured nations, something of which the people are scarcely aware.

In connection with this budget there are certain things which particularly affect my own county of Halton. There is a little item in the tariff which will have the effect of giving an 80 per cent drawback on certain papers used in the publication of magazines. In this province we have mills which manufacture coated paper suitable for magazine publications. This is largely an Ontario industry, and in 1925 the duty was 35 per cent. An 80 per cent drawback will reduce that protection to 7 per cent. Ontario produces 66.3 per cent of this material, the balance coming from Quebec and New Brunswick, so it is a matter of vital importance to this province. These mills are seriously affected by this budget; their protection is practically eliminated, and I would suggest that the government give very serious consideration to the representations which I understand these manufacturers are making. We have a coated paper mill in the county of Halton; it is an important industry there, with quite a large number of employees and having a considerable amount of capital invested in it, and if this budget goes into effect it is possible that that industry will go partly out of business. I believe the manufacturers of this product have presented their case to the tariff advisory board, but in spite of their representations that board has

recommended this reduction to the government. Probably that is only to be expected, when you consider that at the head of the tariff board is a man who has free trade ideas, and who probably thinks of nothing else.

We also have three woollen mills in my county, and one of these will be seriously affected by this budget. I have mislaid my notes and a letter in this regard, but the factory to which I have reference is a spinning mill in my own town. The reduction in the duty on dry spun yarn and the free importation of yarn will injuriously affect that industry. They manufacture yarns, woollens and worsted yarns for the manufacture of carpets and so forth. The manager claims that this will take away almost their total protection, that he is hampered under existing conditions, that he has lost two large orders for the present year because he could not meet the British price. Wages in that particular industry in England are about $5 per week, while in the same industry in Canada the wages are $10 per week. This is a very serious handicap and that industry is unable to meet the competition coming from the old land. This loss of business is going to be seriously felt. Quite a number of families will have no means of earning a living; they depend for a livelihood upon that industry in that particular town. It is a very serious matter for them and I too would ask the government to take into their earnest consideration the representations made on behalf of that industry before the tariff advisory board showing the conditions under which they are operating in Canada. It is worth while for the government to consider these representations, because although the industry is in the province of Ontario it represents 82 per cent of the business in the whole of Canada.

Then we have another industry in the province of Ontario with which I intend to deal, although the conditions with respect to it were very fully explained by the hon. member for London (Mr. White). My hon. friend is an expert in regard to the iron and steel industry and so was able to speak with authority upon this subject, but I will present the view of the man on the street who does not understand the industry, and I will try to show how the conditions affect the average farmer who buys the implements made by the agricultural implement industry, which is largely an Ontario industry. The capital employed in this industry in Canada in 1921 was $100,285,000, and in 1925, $81,861,000, a decrease of $18,424,000, as a result of the tariff policy of this government. The number of factories operated in Canada in 1921 was 90. The number operated in 1925 was 61, a reduction of 29. In 1921 the employees numbered 9,198 as against 7,669 in 1925, a decrease of 1,529. In 1921 the amount paid wages was $11,805,000 as against $9,089,000, a reduction of $2,716,000, largely in the province of Ontario.

Taking up the matter of production in Canada—and I am taking this from page 102 of the iron and steel report of the bureau of statistics for 1925—the production in Canada in 1920 amounted to $50,301,000. In 1925 the value had dropped to $24,770,000, quite a large reduction. The capital invested in 1925 amounted to $81,861,000. Of the factories operating in Canada in 1925, 43 out of 61 were located in the province of Ontario. Out of the total number of 7,559 employees in all Canada, 7,143 were employed in Ontario, or 95 per cent of the total. Of the total capital of $81,861,000, the capital invested in Ontario amounted to $79,115,000, or 97 per cent. Out of a production of 24,770,000 for the whole of Canada the production in Ontario was 23,311,000, or 95 per cent, showing the extent to which the industry is an Ontario one.

Now in order to make a comparison of the prices of agricultural implements between 1921 and 1926, the following table is interesting:

RETAIL PRICES OF AGRICULTURAL IMPLEMENTS

Implement	Price 1 payment Oct. 1st, 1921	Duty	Sales tax	Price ¼ cash; one payment Oct. 1st, 1926	Duty	Sales tax	Increase
	$ cts.	per cent	per cent	$ cts.	per cent		$ cts.
Six ft. binder	219 00	12½	3	230 00	6	nil	11 50
Mower, 5 ft., heavy	93 00	12½	3	96 50	6	"	3 50
Mower, 6 ft., heavy	95 50	12½	3	98 50	6	"	3 00
Reaper, 5 ft., 2 horse	135 50	12½	3	138 00	6	"	3 00
Horse dump hay rake, 8 ft., 26 teeth, steel wheels	47 00	15	3	50 50	7½	"	3 50
Hay tedder, 8 fork	82 00	20	3	85 50	10	"	3 50
Hay loader, steel windrows, fore carriage	112 00	20	3	125 00 (26) 123 00	10	.....	11 00
Manure spreader, 2 horse, No. 5	187 00	15	3	171 00	7½	(decrease)	16 00
Hoe drill, 2 horse hitch	125 00	15	3	131 00	7½	nil	6 00
Field cultivator, 6 ft., 12 spring teeth, 2 or 3 horse	77 00	15	3	82 00	7½	"	5 00
Land roller, 6 ft. 27 in	63 00	20	3	68 00	10	"	5 00
Disk harrow, 12 disks, 16 inch, 2 horse	45 00	20	3	50 50	10	.....	5 50

Now the situation which these figures disclose is somewhat peculiar. I have placed these figures on Hansard to show just how much benefit the farmers of the Dominion of Canada received from the reductions in duty and the elimination of the sales tax as between 1921 and 1926. It is very interesting reading indeed and it requires some explanation, not only from the government but from the industry itself. The question will naturally be asked what the cause was of the increase in prices in those years. That is why I say there is some suspicion that the implement industry had some knowledge of what was going to happen. Prices increased very materially between 1921 and 1924. The following figures compared with those already given indicate the increase of price:

Price List of November, 1923
(One-quarter cash, balance October 1st)

Binders, 5 ft	$253 00
Binder, 6 ft	253 00
Mower, 5 ft. heavy	105 00
Mower, 6 ft heavy	107 00
Horse dump rake, 8 ft., 26 teeth steel wheels	54 50
Reaper, 5 ft., 2 horse	153 00
Hay tedder, 8 fork	92 00
Hay loader, steel windrow and fore-carriage	130 00
Manure spreader, 2 horse	187 00
Hoe drill, 2 horse, 11	147 00
Cultivator, 6 ft., 12 spring teeth, 2 or 3 horse	90 00
Land roller, 6 ft. 27 in	77 50

In 1924 the government gave the manufacturers the advantage resulting from reduction in duties and the removal of the 5 per cent sales tax, but it is evident that the manufacturer did not pass along to the farmer the reduction of the customs duties in 1924 nor since.

Now as to iron and steel products. I had the curiosity to look up the prices between 1921 and 1924 and I find on page 46 of the publication of the Dominion Bureau of Statistics, Iron and Steel Products of 1925, the following, giving the average index number of prices for the years 1921 to 1925 for all steel products that went into the manufacture of agricultural implements. In 1921 the average price was 185.7. In 1922 it was 151.8; in 1923, 168; in 1924, 161; in 1925, 151.4. That is the index figure in 1921 was 185.7 as against 161 in 1924, or 24.7 higher in the former year than in the latter. Does that look as if agricultural implements should have been higher in 1924 than they were in 1921?

Mr. EVANS: Who furnished those figures?

Mr. ANDERSON (Halton): I just told the hon. gentleman, if he had been listening.

Mr. EVANS: I was not in at the time.

Mr. ANDERSON (Halton): I got them from the Report of Iron and Steel Products of 1925, Dominion Bureau of Statistics. If the hon. gentleman will look at page 46 he will find all the figures there. It gives the prices of commodities that enter into the manufacture of agricultural implements:

Commodities	1921	1924
Steel merchants' bars per ton, f.o.b. plant	$64 08	$57 50

Quite a considerable reduction.

Steel bars, round and square, per cwt..	$ 2 96	$ 2 67
Spring steel, per cwt.. ..	5 54	5 48
Pig iron No. 1 foundry, per long ton..	35 96	29 26
Steel billets, per ton.. ..	44 79	43 61

This shows that all the raw and other materials that went into the production of the agricultural implements of the Dominion of Canada were materially reduced in price in 1924, and yet in the face of those reductions there was an increase in the price of those articles of from 12 to 20 per cent. How does the industry explain the difference in the prices between 1921 and 1924? It is unexplainable. The manufacturers were getting ready for a reduction in the duty so that in 1924, when it did come, they could show a reduction for 1925 to deceive the farmer into thinking he was getting a tariff reduction which he did not receive.

It might be claimed that an increase in wages had something to do with this condition and that wages were very much higher in 1924 than in 1921. I have taken the following table from the report of the Department of Labour of 1927, the index number for 1913 being 100. For the metal trades index number for wages are as follows:

Year	Index number
1921..	186.8
1922..	173.7
1923..	174.9
1924..	175.5

Therefore wages were lower in 1924 in the metal trades than they were in 1921, so that it cannot be said that the increased price is due to wage increases because it is not. There was a reduction of 11.3 in 1924 from 1921 and a reduction of 11.4 in 1925 from 1921, yet we find everyone of these implements has been increased in price to the Canadian farmer. The budget of 1924 put a great deal of raw material on the free list, giving the industry a considerable advantage over 1921 but this has not been reflected in the price of agricultural implements to the Canadian farmer. An explanation should be given of this peculiar condition.

In 1922 imports of agricultural implements amounted to $7,718,000 and in 1927 the amount had risen to $18,946,000, so that we are importing almost two and one-half times as much as we did in 1921. That is a result of the reduction in the tariff and yet no benefit has accrued to the farmer. Our exports in 1922 amounted to $5,345,000 and in 1927 to $17,412,000, so that we were exporting more as well. The industry may say that a reduction in the production in Canada between 1921 and 1926 or 1927 accounts for some of the increased price, but I find, on looking up the Canadian production in 1927, it was equal to what it was in 1921. Consequently, a reduction in the production of agricultural implements is not a cause of the increased price.

In 1922 duties collected that went into the Dominion treasury amounted to $889,167 on agricultural implements, and let us remember that that was on an importation of $7,718,000 worth of goods. In 1925 duties collected fell to $392,314 on an importation of $6,494,000, while in 1927 duties collected amounted to $944,893 on an importation of $18,946,000, so that the duty collected in 1927 was very little more than it was in 1921 although in 1921 less than half as much was imported as in 1927. What does that mean? It means simply this, that duties that formerly in 1921 went into the treasury of the Dominion of Canada, went into the pockets of manufacturers of agricultural implements. We looked for it to go into the pockets of the farmer but it has not gone there. He has had to pay more for his agricultural implements so that he did not receive the benefit of it. It did not go into the Dominion treasury. Where did it go? There is only one other place for it to go.

In 1925 there was a loss to the Dominion treasury of $762,000 that did not go to the farmer. In 1926 there was a loss to the treasury of $1,651,000 that did not go to the farmer. In 1927 there was a loss to the treasury of $2,285,000 that did not go to the farmer. The only conclusion to which any man can come is that the improved condition of the agricultural implement industry in Canada is due to the money that should have gone into the Dominion treasury. I should like to know where any free trader can find in the implement industry an argument in favour of free trade. Surely it is an argument in favour of protection, because at least the treasury would not have been depleted of that amount of money and under protection the farmer received his implements at considerably less than he does in 1927 under almost free trade conditions.

Mr. D. J. COWAN (Port Arthur-Thunder Bay): Mr. Speaker, my contribution to the debate on this occasion will perhaps be somewhat coloured by my residence in northern Ontario in the heart of the mineral area which is now producing practically untold wealth for the people of this country. Hon. members who have had an opportunity of travelling across Canada will no doubt have noticed that large extensive territory apparently barren

and forbidding in appearance but most inviting to those who live there, in the northern part of Ontario from North Bay across country to the boundary of Manitoba. Hon. members and delegates who attended the Winnipeg convention would have an opportunity of seeing that territory. I refer by the way to that great convention where we selected not only our leader but the gentleman who will be the next prime minister of Canada.

The scarcity of ideas on the budget, conjoined with the anaemic character of the speech from the throne, gives the opposition very little opportunity to discuss to advantage the public questions of the day. Perhaps this government is in the rather unfortunate position of having applied to it the time-honoured saying of Hooker, "that even ministers of good things are like torches, light to others, but waste and destruction to themselves". It appears to me from my examination of the budget that this government is beginning to look backwards instead of forwards, and in a young country such as ours with the mineral and agricultural wealth we have to be developed, the government I think should have some suggestion which might be made use of in further developing and enriching this country. At the risk of repetition and being tedious I desire to offer some contribution to this debate in the course of which I shall make suggestions which I hope the government will see fit to adopt. I care not who gets the credit for it; I am only anxious that the mineral wealth of northern Ontario should be developed.

That northern country hon. members do know has come into prominence during the last few years. It is only a matter of a few years since even as wise and efficient an administrator as the late Sir James Whitney referred to that country as the land of the blasted pine and stunted poplar. But that day, gentlemen, has long since passed. I know of no other country in the world that has such opportunities for young men, and I desire to address my self to that question with the idea of pointing out the opportunities for the young manhood of this country to find a means of livelihood and of acquiring wealth in that new area.

The stage is set by nature for a development of mineral wealth in Canada unparallelel in world history, whether for magnitude or rapidity. We live in a country more lavishly endowed with undeveloped riches than any other in the world. Where can you point to a natural treasure house, still substantially unexplored, to equal the Laurentian plateau, that area of over 2,000,000 square miles, all underlain by a Precambrian formation; found wherever its surface has been scratched "to be rich in all the minerals, common or rare that are used in the arts,"—I am quoting from the Department of Mines report, 1924— and proven capable, from the few odd spots which have been developed, of yielding gold alone to the value of two and a half million dollars a month? Truly there is no country in the world that can approach Canada in undeveloped natural resources. In water power, in minerals, in agriculture, in pulpwood, four of the greatest assets a country can possess, Canada leads the world.

I have not the time to discuss this budget from the point of view of the agriculturist. That point of view has been ably and vigorously championed by all parties in this house depending, somewhat of course, upon the political party to which the speaker belonged. I do say, however, that I think the agricultural members of this house and the farmers of this country are taking a very short sighted view when they do not assist in the development of our industrial plants and in the development of our mineral wealth, which would provide them with a home market in Canada for their products.

I have not the time to discuss the question of water powers. Everyone knows the tremendous progress that has been made along the line of developing the white coal that never burns up. There are other features that I have not the time to deal with, but I intend to devote a few minutes to a discussion of the mineral wealth of this northern country.

History shows that continued and increasing prosperity has never come to a country save through pre-eminence in sources of industrial power, in precious metals, or in agriculture. Equally true is it that great natural resources, once adequately and energetically developed, have never failed to bring great wealth to their possessors.

Europe has already developed most of her resources; some of her minerals were exhausted a thousand years ago; even her coal is nearing its limit. Our neighbour across the border is developing fast, and with what profit to her citizens! Canada, far richer than any other country in the beginning, is still virtually undeveloped. For Canada is young. Only forty-one years ago the last spike was driven in her first transcontinental railroad. Only thirty years ago the first gold was found in Klondyke. Only twenty years ago two of her great provinces west of the area I have been speaking of were marked out and given the status of provinces in this Dominion.

We realize to-day the significance of the statement that this north country now

possesses a purchasing power of nearly a hundred million dollars annually. The government railway which traverses this strip is, along the Quebec-Cochrane section, now paying 90 per cent of its operating costs Think of the possibilities when real development begins! A billion dollars has come out of the four leading mining camps in this area already. Mining is closing the gap. To-day there is activity almost all along that thin red line of communication. Prominent authorities expect that the next twenty-five years will see this thin line broadened out into a strip at least one hundred miles deep—well populated, and continually pouring out riches to our country and providing work for our smelters, our furnaces and our workshops.

Look at the map. Trace the line of present activity, from the Flin Flon mine in Manitoba, to the deposits near Bulldog lake, Red lake, Woman lake, Narrow lake, Savant lake, Armstrong, Beardmore, Jellicoe, Tashota, Kashabowie, where the old Huronian is reopening Macqua—through the great established camps of Cobalt, Kirkland lake, and Porcupine—on through Rouyn to lake St. John. The gap is closing. It is symptomatic of the part that our buried wealth has played, and will play to an increasing extent, in the economic consolidation of the country.

The digging of new wealth from the earth is a fundamental industry. The recovery of mineral wealth rounds out our ability to prosper. It goes on winter, spring, summer and fall, producing regular national income, paying regular wages, offering full time occupation supplying raw materials to our other industries, independent of season and of weather. There is little marketing effort needed to sell gold or silver; they possess an intrinsic value, whether sold or held. The world demands our minerals; and the demand is growing. It is Canada's opportunity and duty to meet that demand.

Mining is now the third largest of our primary industries; but it would have been difficult to persuade the average man thirty years ago that, apart from the placer (surface) mines in the Yukon and British Columbia, and a little copper in the eastern townships of Quebec, and some gold in Nova Scotia, Canada contained any worth while deposits of gold, silver, or other precious metals. Even as late as 1910 hon. members will recall with what distrust the Hollinger, the McIntyre and other mines in northern Ontario were regarded. Do we really appreciate these great mineral resources? Our ores will undoubtedly prove phenomenally rich and abundant. As a matter of fact we possess the greatest single exposure in the Precambrian formation in the world.

As I have stated, there is abundant mineral wealth there. In 1923, when Mr. Drury was premier, the Ontario government appointed a commission to inquire into and report upon the development of the iron ore industry of the province. On the basis of that report the provincial government took measures to develop the industry. But before I go into that question may I say that in 1913 there were in Canada twenty-two blast furnaces, but in the autumn of 1927 these had dwindled to four. What has been the situation? It seemed for a time as if the iron ore industry was on a sound basis. That was due to the legislation passed by the government of the late Sir Wilfrid Laurier putting in force a bounty system, under which up to 1921 there was paid out in subsidies a total of eighteen million dollars. Apparently that aid enabled the industry to carry on successfully, but from 1921 the bounty ceased.

I was very glad to hear the remarks of the hon. member for Pictou (Mr. Cantley) delivered in the course of this debate, for he is an authority on the subject. While formerly we had to import only $143,000,000 of iron ore and its products, last year we brought in $240,000,000 worth, and we did not mine an ounce of iron ore. Now, hon. members will recognize that that is not a healthy situation. We spent $240,000,000 to import mineral although we have abundant deposits. As I said a moment ago, in 1913 we had twenty-two blast furnaces in operation, while to-day there are only four. Of these two are at Sydney, one at Hamilton and the other at Sault Ste. Marie. This decline, of course, reflects itself in the number of men employed, and whereas in 1913 there were 1,589 men at work in our blast furnaces, in 1925 the average number was down to 656, and it is still less this year.

When I spoke on the address in reply to the speech from the throne, I urged that the government should supplement the legislation enacted by the legislature of Ontario, and I now propose to give the house a quotation from the provincial statute. It is known as the Iron Ore Bounty Act, 1924, and its purpose is set out in section 3, as follows:

> 3. The treasurer of the province of Ontario may under the authority of such regulations as may be made from time to time by the lieutenant-governor in council, and out of moneys appropriated by the legislature for the purpose, pay a bounty to the miners or producers of iron ore which shall be raised or mined in the province of Ontario for a period of ten years from the date of the coming into force of this act, at the rate of one-half of one cent for every unit of metallic iron contained in every ton of such ore, in the manner following, that is to say:—

(a) on low grade iron ore when the same has been concentrated, treated or beneficiated in Ontario by mechanical means and delivered at any iron blast furnace or other works for the production of pig iron or steel and for use in the same;

(b) on iron ore in the natural or unbeneficated condition when delivered at any blast furnace or other works for the production of pig iron or steel in the province of Ontario, and for use in the same.

It would seem to me, Mr. Speaker, that it is the duty of the government to take this question in hand. The idea was that the federal government would pay an amount equal to the bounty provided by the provincial statute which I have just quoted, and so make it worth while for the industry to be developed.

Mr. RALSTON: Does the hon. gentleman happen to have the figures showing how much has been paid out under the Ontario act?

Mr. COWAN: I am sorry that I cannot give the figures.

Mr. SIMPSON: Nothing has been paid out yet.

Mr. COWAN: Now, as to the imposition of an import duty. It is apparent that the $242,000,000 which in 1926 was added to the value of iron and steel products by the manufacturing activities in Canada was gained chiefly by the fabrication and finishing of imported materials, and that the contribution of materials of Canadian origin is becoming smaller by degrees and beautifully less to an extent that, if continued a few years longer, will render any Canadian contribution nonexistent. I think, too, it has been fairly well established that the importation of these raw or semi-finished materials has been aided by the lowering or complete omission of import duties in the most important instances of usage; but it is not true, as has been stated, that this favouring of importations from outside—so far as the products of blast furnaces and rolling mills is concerned—is required because of the inability of Canadian plants to furnish them. The record of idle blast furnaces, of unemployed men, and of declining production of primary products within Canada, are sufficient proof to the contrary.

I am not wedded to either scheme, whether an import duty should be placed on raw materials coming in from the United States, whether a bounty should be paid whereby our own iron mines would be developed, or whether a bounty should be paid to our blast furnaces; but I do suspect that the free importation of raw material has conduced to the destruction of this industry.

Mr. RALSTON: Including coal?

Mr. COWAN: That brings up another phase of the subject. I understand this to be the fact, that the furnaces at Sydney, Hamilton and the Soo bring in American coal.

Mr. CANTLEY: Not Sydney.

Mr. COWAN: Well, the other two bring in American coal, on which they have a drawback of 99 per cent.

Mr. RALSTON: The hon. gentleman does not suggest that the drawback on coal used in the smelting and melting of metals causes injury so far as Ontario is concerned?

Mr. COWAN: I think my hon. friend is right, provided Canadian coal cannot be used; but if Canadian coal is adapted for that purpose, then without doubt it should be used, and the miners either in Alberta or Nova Scotia benefited to that extent.

Now it is impossible to develop these mines properly without the aid of capital. Some hon. members may believe that labour is the important feature. I am more interested in the immigration of capital than of labour at the present time. We see the curious spectacle of men of Canadian origin living in Canada using their money to develop industries in Mexico and South America and other foreign countries, when there are plenty of opportunities for the investment of their capital in Canadian industry. And in the getting in of capital that provides jobs for immigrants in pulp and paper and mining and power development, what we get is this: we get labour into industries which, unlike farming, are not seasonable industries. Mining has three eight-hour shifts a day and pulp and paper three, and for that reason there is a large quantity of work, but best of all, twelve months of the year round. Most of us know that if labour is going to keep the flour barrel full in the corner of the kitchen, it must have twelve months' employment. That is what the development of our natural resources does, and that is not saying anything detrimental to our wonderful farming industry. I believe if Canada, without losing one bushel of her wonderful western wheat crop, can continue to develop her mining industry, now more than half the annual value of the wheat crop; if she can continue to develop her pulp and paper industry, now more than half the annual value of the wheat crop, to the limit of the market to absorb that paper; if she can continue to develop her white coal that never goes on strike, then I say to you she is marching along the lines towards that destiny that these rich natural resources entitle her to among the nations of the world.

What would be the effect so far as the Canadian National Railways and the Canadian Pacific are concerned? As I stated a moment ago, the area to which I refer is that barren stretch extending along northern Ontario. In the United States, we find, forty per cent of the revenue derived by class A railway is obtained from the haulage of mineral products. That is a feature not to be overlooked in this country. Now, the Canadian National and the Canadian Pacific railways are our two largest single employers of labour. They also use a considerable quantity of coal. I believe that thirty per cent of the coal used in Canada is consumed by these two systems. I do not know this as a fact, but I sincerely trust that our Canadian railways are using Canadian coal wherever possible. As regards the Canadian National Railways, I must say that, so far as I have been able to observe in our community, the system is well managed. There has been development in that railway—something of which we are all glad: the esprit de corps among the employees and the desire to give good service to the public are commendable. There is evidently a desire on the part of the employees to have the system become a nation-making entity, binding east and west together. I do not know the president, but I understand that those in the service of the company, from the officers down, are endeavouring to give satisfactory service.

I do not intend to enlarge on the question of our immigration, but I am concerned about the conservation of our population. It is far better to provide jobs in Canada for those men whom we now have here rather than to seek, at great expenditure, to bring in people from the older lands and from continental Europe. It would be far better for us to develop our mining industries in this country with a view to providing employment for our own people, who would be paid in Canadian money and who would live in Canada.

Reverting to the question of capital, is it not capital going into this north country development which alone can widen out the thin red line along the two transcontinentals north of lake Superior, heretofore, a barrier between east and west? Is it not resources development in Alberta and British Columbia we require on the one side of the prairie and is it not resources development in north-eastern Saskatchewan and Manitoba on the other side of the prairie? Is it not more smelters and oil fields? Is it not more zinc development which exists in immense deposits in the Precambrian north of Saskatchewan and gold and copper in Manitoba, all allied with cheap power development? Is it not these we require to create home markets on the prairies and diversified industry, which embraces mining, farming and manufacturing? Is it not research benefiting both the farmer and the manufacturer? Is it not resources development that all Canadians can meet on common ground? Is it not, after all, the building of Canada basically level through these sound economic methods that will meet the complex needs of this, a complex age? It certainly is, sir, as surely as the needle points to the pole.

The policy of this or any other government in power should be to grapple with these difficulties and to consider the suggestions that have been put forward, and not a policy of evading the question and postponing consideration. We should have a general policy for the whole of Canada, a policy of activity to promote our national welfare, with zeal for imperial relations.

I want to refer to the act in regard to bounties in order to show that this is not a new system so far as Canada is concerned. In 1923 this parliament passed what is known as the Copper Bounties Act, which contains the following provision:

> The governor in council may authorize the payment out of the consolidated revenue fund of the following bounties on copper bars or rods manufactured in Canada and sold for consumption therein, from copper produced in Canada from ore mined in Canada, during the periods and at the rates following, that is to say:
>
> From the 12th day of May, 1923, to the 30th day of June 1924, both inclusive, one and one-half cents per pound.

I will not give the other dates; they vary from year to year. The last, however, are:

> From the 1st day of July 1927 to the 30th day of June 1928, both inclusive, one-half of one cent per pound.

It is to be observed in this connection that the provisions of the act will expire on the first day of July of this year. I do not quote the act for the purpose of suggesting whether it be continued or not, but I do believe that it has conduced to the building up of one of the largest smelters in British Columbia. I quote it simply to show that the principle is not new and that where it has been adopted it has proved of great service in the development of our mineral wealth. I trust, therefore, that these suggestions, which mean so much to that northern country and incidentally to the Dominion at large, will be adopted by this government. As I say, the system is not new, but even if it were new surely this government, which has displayed such a total lack of leadership in other things, might be induced to take up the question and deal with it at the present session.

New times demand new measures and new men.
The world advances and in time outgrows the laws which in our father's day seemed just.
And doubtless after us some purer schemes will be shaped out by men more wise than we,
Made wiser by the steady growth of truth.

Mr. A. B. THOMPSON (East Simcoe): The budget as brought down by the Minister of Finance (Mr. Robb) is to a large extent but a repetition of former budgets brought down by him, in that whilst no very radical change is made in the tariff it still pursues the old policy of tariff tinkering, hitting one industry here, hitting another there, and creating in the manufacturing world a feeling of unrest, dissatisfaction and instability. One of the manufacturers in my riding has written me that as a result of the tariff changes brought down by the Minister of Finance there will be a decrease in the spinning of worsted yarns in his plant of about 40 per cent, thereby throwing out of employment a certain number of men and women. In addition to that I believe when one industry is affected it hurts other industries, thus reducing the market for Canadian products. I make this statement, sir, that in the past few years this government has done absolutely nothing for the development of the manufacturing industries of our country.

In common with the other speakers who have preceded me on this side of the house I desire to express my regret that no provision has been made for the abolition of the sales tax within the calendar year. This tax falls equally upon the rich and the poor and is in defiance of that well known principle of taxation, that the taxes should be paid by those who have the ability and the means to pay them.

Having in my riding of East Simcoe the two important lake ports of Midland and Port McNicoll, I should like to bring to the attention of this government the opportunity which exists for the building up of great industries in that portion of the country which will mean increased freights for our railways, larger cargoes for our freight boats, employment for a large number of men, larger payrolls throughout the country and in addition the return to this country of many thousands of Canadians who have been forced to a foreign country to earn that livelihood which has been denied them in Canada.

In the Georgian bay district, until a few years ago the lumbering industry was large and flourishing, giving employment to many thousands of men, paying in wages hundreds of thousands of dollars and giving in its industrial centres a splendid market to the farmer for his products. But, sir, I regret to say that that industry is rapidly vanishing, and that places which a few years ago were centres of activity are to-day scenes of enforced idleness. If this government can bring about a change which will result in renewed activity in these and other districts similarly affected I consider it their duty to do so.

The remedy is so simple that one wonders at the delay in applying it; perhaps its very simplicity is the reason for this neglect. To-day, Mr. Speaker, Canada is a large contributor to the building up of Buffalo and other United States lake ports, to the detriment of the lake ports of our own country. Large flour mills and storage warehouses are being built in Buffalo, involving the expenditure of millions of dollars, and this industry largely owes its existence to Canadian wheat. If a national Canadian policy were adopted, all this activity would be carried on in the lake ports of our own country. To-day Buffalo is producing more flour than any other city in the world, and one-half the wheat received at that port comes from Canada. The United States imposes a duty of 42 cents per bushel on Canadian wheat; if Buffalo had to pay 42 cents per bushel on the wheat it gets from Canada that wheat would soon be turned back into Canadian channels, but the United States are very clever; they take great care in looking after the interests of their own people. The United States made an agreement with Buffalo and other lake ports permitting them to mill all the Canadian wheat they desired in bond, without paying a cent of duty so long as the flour was exported. Canadian wheat going through Buffalo is not dutiable if passed on to the seaboard for the purpose of export to foreign lands, but Buffalo and other United States cities may buy all the Canadian wheat they desire, manufacture it into flour and sell it abroad in competition with Canadian export flour. That is a splendid arrangement for the United States. The American duty prevents Canadian wheat from competing with American wheat but it does not prevent Canadian wheat, transformed into American flour, from competing with Canadian flour in the markets of the world.

What is the remedy? What means can we employ to keep Canadian wheat in our own country for transportation and for milling? The answer is simple; we should impose an export duty on that wheat, making it sufficiently high to protect our own industry. The United States duty against Canadian wheat is 42 cents a bushel, while our duty against American wheat is 12 cents a bushel.

Make the export duty 30 cents what will be the result? We shall have much more freight for our railways; larger cargoes for our vessels; an increased manufacture of flour in our mills; much more work for Canadians in our own country; increased payrolls and the retention in Canada for our farmers, live stock breeders and dairymen of the bran and shorts so much needed in these industries. It is estimated that during the last year Buffalo received 15,000,000 bushels of Canadian wheat for the purpose of milling in bond. Fifteen million bushels of wheat will produce 3,200,000 barrels of flour and 118,000 tons of offal, bran and shorts. The cost of converting wheat into flour, including overhead, is figured at 65 cents a barrel. Now 3,200,000 barrels at 65 cents per barrel amounts to $2,080,000, which represents the amount of wages paid to labour in the United States instead of in Canada. The loss to our railway companies in moving 15,000,000 bushels of wheat to Canadian mills and 3,200,000 barrels of flour to the seaboard is in excess of $1,500,000. Furthermore the sum lost through our transportation agencies not moving the 118,000 tons of bran and shorts referred to, would if distributed over Canada, represent a total of $675,000. If these products were shipped to the seaboard for export the earnings would represent some $550,000. The wheat milled in Buffalo is moved there from Port Arthur and Fort William, and no part of the product subsequently is carried by Canadian railways. A large part of our Canadian wheat instead of coming down to Midland and Port McNicoll for transhipment to our seaboard goes to Buffalo. That wheat is carried by United States boats and routed through American ports instead of Canadian ports, with the result that our railways lose a considerable amount of freight. Now, sir, if these advantages can be secured for Canada by the imposition of an export duty on our wheat, as I believe they can, surely we should not hesitate to adopt that policy. I trust, therefore, that the government will consider the advisability of imposing an export duty on wheat in view of the beneficial results which such a duty will bring to this country.

Before taking my seat I should like to say a word on behalf of the sailors who man the boats which carry grain from Fort William and Port Arthur to the southern lake ports. We all remember the loss of four fine freighters last fall with a sad loss of life in two cases. I have spoken with one of the officers of the wrecked ship Agawa, and as one listened to the tale of the hardships endured by the crews of these vessels and the daring resourcefulness they displayed in saving themselves from drowning or perishing from the cold, one could not but admire the courage and heroism of those men and be proud of them as true Canadians. I would appeal to the Minister of Marine and Fisheries (Mr. Cardin) to see to it that every possible means is taken to protect the lives of our sailors engaged in this hazardous occupation. In my opinion no work is so important as that. During the late fall the navigation of the great lakes is both difficult and dangerous—dangerous because of the storms that generally prevail in the late weeks of November and the early weeks of December, and difficult because the decks of vessels are covered with ice, the hatches are frozen down and the equipment largely disabled owing to ice conditions. On behalf of these men and their wives and children I would urge the minister to see that every possible precaution is taken by the establishment of life-saving stations, the installing of direction finders, and the adoption of other safeguards whereby the occupation of these men may be rendered less hazardous than it is at present.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, I find myself in agreement with the statement of the majority of the speakers who have preceded me that there is not much virtue in the budget which has been submitted by the Minister of Finance (Mr. Robb). And by the way, the small amount of commendation which the budget is drawing from the free traders on the opposite side of the house, is, in my opinion, rather remarkable. What has become of the lambs from Saskatchewan during the present debate? Have we heard from any of them? Is it possible that they see their pre-election promises unfulfilled in this budget? What is the reason for the silence which prevails in that quarter of the house? I should like to see some members from Saskatchewan answer the question

Now while I see no ray of hope in this budget for the improvement of labour conditions in Canada, there is one industry which affords cause for a good deal of satisfaction. I refer to the mining industry. This industry is receiving more consideration from year to year, and I am pleased to say that it shows some degree of progress. For instance we find that the production of the mining industry in 1926 amounted to $240,437,000, as against a total production in 1927 of $241,773,000, or an increase in mineral production of 1½ million dollars. The industry, I am told, employs in the neighbourhood of 83,600

people throughout the Dominion, and it is very satisfactory to see it in such a flourishing condition as the figures disclose. During the past year high records have been achieved in the production of several of the most important minerals which are found in Canada. That high production applies to gold, copper, lead, zinc, cement, gypsum, lime, natural gas and petroleum. In copper we have produced 140,000,000 pounds, of which the province of British Columbia produced 92,000,000 pounds. The production of gold has increased from $36,250,000 to $37,750,000; and lead from 283,000,000 pounds to 308,000,000 pounds; zinc from 150,000,000 pounds to 160,000,000 pounds. Now that is a very satisfactory state of affairs, but I give no credit to the present government for this heightened production or these improved conditions in the mining industry, for the reason that the industry is not under the direction of the federal government at all. The provincial government are responsible for all effort in regard to the production of minerals; they have to take in hand and lead this industry step by step, and the industry gets practically no assistance from the federal government. As a matter of fact this government spends $1.60 out of every $1,000 of total expenditure. How does a government expect to get credit for a condition of affairs of that kind? It would be a pretty good proposition for this government to consider a policy of bonusing an industry so important as the mining industry. If they would take into consideration a proposition to give to each province a bonus of one per cent of the total production of minerals in that particular province, they would be doing something for the mining industry. At the present time I see them doing nothing. Their efforts are not responsible for increasing the production in the mining industry. A government which is spending only $1.60 of its revenue out of every $1,000 that is spent is not doing very much to help it.

I want to take up another angle of the matter. So far I have been speaking of the primary industry of mining, but there is a very important industry which follows the primary industry and that is the secondary or manufacturing industry in all its branches. That covers a very wide field touching many different industries and people. It is an industry which should be giving a great deal more occupation to the Canadian people than it is doing at the present time and one which, if the government would establish a proper policy, would no doubt quickly respond to intelligent treatment. Let me point out to the house for a few minutes the relation that the mineral manufacturing industry has to the trade of this country. I find that our trade returns comprise nine main classes under which our total trade falls, and the mining industry occupies three of those classes: First, iron and its products; second, non-ferrous metals and, third, non-metallic minerals. I want to give the house an outline of this industry as it relates to our trade covering the two years 1926 and 1927. The figures of our imports of iron and its products are as follows:

Year	Imports
1926	$217,480,000
1927	247,840,000

An increase of $30,360,000, or 14.4 per cent. Mark you, Mr. Speaker, that a very large proportion of the value of these imports is accounted for in articles of iron and steel which have been manufactured outside of this country and imported. These are the figures for the non-ferrous metals:

Year	Imports
1926	$50,105,000
1927	59,074,000

Or an increase of 17.8 per cent. These are the figures for the non-metallic minerals:

Year	Imports
1926	$151,952,000
1927	158,414,000

Or an increase of 5 per cent. The totals for these three classes are as follows:

Year	Imports
1926	$418,537,000
1927	465,329,000

Or an increase of $46,791,000, or 11.1 per cent in the three classes. Let us turn now to the exports under the same headings. These are accounted for mainly by our raw materials which we are digging up out of our mines and sending out of the country. The figures are as follows:

	Year	Exports
Iron and its products	1926	$76,587,000
	1927	70,146,000
Non-ferrous metals	1926	85,182,000
	1927	85,021,000

A very small decrease of $161,000, or 2 per cent.

	Year	Exports
Non-metallic minerals	1926	$26,313,60[illegible]
	1927	27,171,528

Or an increase of $857,926, or 3.1 per cent, the only class of our exports showing an increase. Note the tendency: Imports all on the increase; exports, except one item, on the decrease. We are importing manufactured articles at an increasing rate and exporting our raw materials at a decreasing rate. Our total mineral imports increased $46,791,000 while our exports decreased $5,421,000, leaving

a difference to be made up in other trades or by money sent out of this country to the amount of $52,213,000. Our total mineral imports for 1927 amounted to $465,329,000 and our exports to $183,339,000 leaving a balance of about $282,989,000 to be made up by the exportation of other articles or the sending of cash out of the country. Thus there is in the mining and manufacturing industry of Canada a difference by way of an adverse trade balance of about $283,000,000 which has to be made up by the exportation of products of some other kind, or by money sent out of the country to pay the bills for goods which we have imported, goods which might have been fabricated out of all these minerals by our people instead of the raw materials being sent out of the country to be manufactured and then re-imported for the use of our people. That state of affairs is not satisfactory to this country. Our mineral trade is not giving Canada the stimulus it should be giving to it. Two years ago when I pointed out this situation on the floor of this house for the first time, the difference between exports and imports was about $150,000,000 of an adverse trade, and now, two short years afterwards, that adverse trade has grown to $283,000,000. That is an alarming increase of an adverse balance of trade which should be looked after by this government. While I am alarmed at this state of affairs, it seems to me I am not the only person in Canada who has noticed this trend of events, because I find that the Minister of Trade and Commerce (Mr. Malcolm) must have been hearing whisperings in the mulberry leaves or someone had been pointing out to him this trend of events, because he apparently armed himself with an array of statistics and proceeded to the centre of industrial activity in this country, the city of Toronto where he endeavoured to explain to the board of trade, to his own satisfaction and to theirs, that there was nothing very dangerous in this trend of increasing imports and decreasing exports. I find the speech reported in the Toronto Saturday Night of December 31st last, and I would recommend hon. members to read it, for it is both readable and very instructive. After a considerable discussion of questions upon which I am not going to touch he proceeds to point out that the increase in our imports during the last year amounted to $87,000,000, and then he goes on to explain away that nobody should be alarmed about this condition of affairs.

In the first place he points out that $30,000,000 of this amount is accounted for under the heading of iron and its products. I have already touched upon that, and my figure was $30,360,000. But taking his $30,000,000, that leaves $57,000,000 still to be accounted for. I am not going to analyze very closely that remaining $57,000,000. I am taking his statement that it is made up very largely of luxury imports—imported by a prosperous people, remember—and raw materials. In fact, he speaks of our imports of raw materials increasing over the year before by $25,500,000. The Minister of Finance presented the same idea to this country when he delivered his budget speech in 1927, for, it may be remembered that, in explanation of the large increase in importations, he said in his cryptic way, "A busy Canada requires increasing quantities of raw products for its factories." The Minister of Trade and Commerce agrees with the Minister of Finance, and he indicates to the people of Canada that it is these raw materials that are required by our factories that account for so large a proportion of our increased imports.

The Minister of Trade and Commerce then goes on to point out that $9,000,000 is made up of increasing imports of beverages, and $11,000,000 by fruits and vegetables, making $20,000,000 under those two heads. I have not had time to go into that very carefully, but I would advise hon. members who are interested to examine it closely before accepting that as the final word to be said on the matter.

As I say, the Minister of Trade and Commerce claimed that $25,500,000 was accounted for by increasing imports of raw materials. That statement is scarcely in accordance with the facts, because I find that in support of it the minister says in the first place, that the imports of cane sugar account for an increase of $7,000,000. Now, to start with, there is no such item in the trade returns as cane sugar, but I find from the trade returns that there is an increase in the total sugar importation of $7,000,000. But a lot of manufactured articles enter into that $7,000,000 of imports. The raw sugar imported, which of course, is the only raw material in this case, increased by only $4,000,000. So he falls down there $3,000,000 in his analysis of the increase in imports, because it is not $7,000,000 of raw sugar, but only $4,000,000 of an increase.

He then goes on to say that there has been an increase in the imports of undressed fur of $2,500,000. I am not going to question that except to say that I have had considerable experience in the raw fur trade myself. The exports of raw fur have increased from $18,000,000 to $23,000,000, but I maintain that that increase is accounted for by the value of

the fur, not by an increase in quantity. I know perfectly well from my connection with that trade that there was a substantial increase in the value of all furs during that time, so the minister's explanation of that $2,500,000 increase in regard to furs does not amount to very much.

Coming back to the question of sugar, I have admitted that $4,000,000 more of raw sugar was imported into this country than during the previous year, while the minister claims an increase of $7,000,000. Notwithstanding the fact that there is an increase in value of $4,000,000, what do we find when we look at the quantities of sugar that have been imported? In 1926 we imported 11,275,929 hundred-weight of sugar; in 1927, 9,836,667 hundredweight, or a decrease of 1,439,322 hundredweight. I submit with all deference that a decrease in the quantity of the raw material imported is of much more importance to this country than an increase in the value of the raw material imported, and confirmatory of that, when you turn to the exports of raw sugar, what do you find? They absolutely confirm the opinion that would be drawn from these figures, that the sugar industry was not as properous as it was the preceding year. We find that the exports of sugar have been reduced from 2,878,732 hundredweight in 1926 to 2,074,729 hundredweight, or a decrease of 804,003 hundredweight, or 30 per cent.

Another industry which uses a large amount of raw material is the cotton industry. We imported in 1926, 137,500,000 pounds, and in 1927, 133,500,000 pounds, or a decrease of 4,000,000 pounds in one year. On the other hand, when you look at our imports of the manufactured article, you find exactly the reverse condition obtaining; that is, the importations of cotton yarns have been increasing in quantity, as follows:

Cottons				
Imports		1926	1927	Increase
Cotton yarns	Lbs.	3,212,000	3,695,000	485,000
Cotton fabrics (bleached)	yards	9,682,000	10,800,000	1,180,000
Cotton fabrics (dyed)	yards	39,140,000	42,672,000	3,352,000
Wearing apparel		$2,314,000	$2,372,000	Increase $58,000
Fabrics printed	yards	9,244,000	9,213,000	Decrease 31,000 (or ⅓ of 1%)

On the other hand, our exports of the same material decreased from $871,000 to $735,000, or a decrease of $136,000.

The total amount of flax, hemp and jute imported in 1926 was $15,932,000; in 1927, $14,694,000, or a decrease of $1,238,000. On the other hand, jute cloth and canvas, which are the manufactured articles from those raw materials, were imported to the extent of 89,813,000 yards in 1926 and 97,660,000 yards in 1927, or an increase over the importations in 1926 of 7,847,000 yards. But the exports of our flax fibre have dropped from 8,470 hundredweights in 1926 to 3,670 hundredweights, in 1927, or a decrease of 4,800 hundredweights—practically cut in two.

Then let me direct attention to our woollen industry—an industry which a number of hon. members have already dealt with in this debate. I find that our imports of raw wool in 1927 had decreased by 1,102,000 pounds, while our imports of woollen yarns had increased 351,000 pounds. Our importations of carpets and rugs increased 672,000 square yards; tweeds 36,000 square yards; worsteds and suitings, 321,500 square yards. In this schedule we have one item the imports of which have decreased by 57,000 square yards—I refer to dress goods to be dyed. Our exports of raw wool have risen from 4,791,000 pounds in 1926 to 11,178,000 pounds in 1927, or an increase of 6,387,000 pounds. It will be noticed that we have a decrease in our imports and an increase in our exports of raw wool. Does that look as if our woollen industry was expanding in the same ratio as our production of wool? I should think not.

Now, I have pointed out that our raw sugar imports for manufacture have decreased by 1,439,000 hundredweights, raw cotton by 4,000,000 pounds, flax, hemp and jute by $1,300,000, and raw wool by 1,200,000 pounds. I ask hon. members: Can they not see these home industries expanding? Can they not see the smoke stacks multiplying throughout the land? Can they not see the development of power to keep pace with our expanding industry? I submit that our industries show in every single instance a decrease in importations of raw material and an increase in importations of the finished article. That is the trend throughout all the schedules I have dealt with.

It is the trend of business throughout the whole Dominion as far as I have been able to discover.

Having taken the minister's bubble of increasing imports of raw materials and burst it, I want now to deal with his attempted explanation of the increase of $30,000,000 in the importation of iron and its products. In this connection let me read from the article in Saturday Night to which I have just referred, in so far as it pertains to his explanation and his attempt to convince our people how little they should be alarmed about this importation. Here it is:

> The remaining issue is that of the importation of industrial equipment, an issue intimately bound up with the increase of 30 million dollars in the imports of iron and its products. In a community like Canada it is of the utmost importance that iron and its products, the chief articles of industrial equipment, should be available as freely and as quickly as possible. In view of our great variety of manufacturing industries and the manifold types of machinery which they use as their industrial equipment, it is impossible to expect that all this varied machinery should be produced within the country in the early stages of its development.
>
> Conceivably many industries might be compelled to use equipment made in Canada, but the desirability of enabling the producers of this country to secure their machinery at the lowest possible cost has been recognized by many governments. In 1918 the then government placed low-priced farm tractors on the free list.

That is, if you steal a sheep I can do the same.

> The present government since its formation has lowered the duty on agricultural implements, many other implements of production and motor cars. This importation of machinery and industrial equipment on easy terms is of enormous advantage to the bulk of our producers and has been shown to be so by the general prosperity which has followed, the adoption of this policy, as is reflected in the financial standing of the industries affected in each case.

Will those hon. members who are particularly interested in our iron and steel industry please listen to this:

> Are we now to delay or to retard the accelerating industrial expansion of the Dominion by discouraging the importation of industrial equipment, when there is scarcely a large manufacturer in Canada who is not using equipment of such a specialized character that it would be impossible to produce it for our limited demand except at prohibitive cost? Far from it; the great increase in our imports of iron and its products will be the source of increased production in the near future, and to check it would be disastrous.

And again I ask hon. members who are interested in the iron and steel industry to note the minister's words:

> There is enough demand in Canada at present for articles of iron and steel to keep our existing domestic plants busy so that our additional demands must need be imported from other countries.

Now, let me take that up seriatim.

> In a community like Canada it is of the utmost importance that iron and its products, the chief articles of industrial equipment, should be available as freely and as quickly as possible.

Well, why not encourage our people to provide them as freely and quickly as possible? When we required these things in the pressing time of war whom did we turn to? Did we bring these commodities in, or did we turn our own people loose to manufacture them? I submit that a policy which is good in war time is easily adaptable to peace time. Then the hon. minister proceeds:

> In view of the great variety of manufacturing industries and the manifold types of machinery which they use as their industrial equipment, it is impossible to expect that all this varied machinery should be produced within the country in the early stages of its development.

I want to ask the hon. minister if we are really in the early stages of our development. I thought that we have had the national policy for fifty years, and that it had given a pretty good account of itself during our expansive period in the eighties, again from 1900 to 1910, and again during the war years. Did we not find it pretty handy to have this iron and steel industry in the years between 1913 and 1918? Did we not find it good business to turn to our own people to provide these products for us. Why not turn to them now? The hon. minister the other day admitted on the floor of this house that after all our own people are the best on earth to do business with. This being so, I should like to know why he does not give them an opportunity to earn their living in their native country instead of importing this machinery because, as he suggests, "We are in the early stages of our development." And then he continues:

> In 1918 the then government placed low-priced farm tractors on the free list.

Of course, it was not this government, it was the other government. Well, that is quite true, I believe a certain class of farm tractors was put on the free list by that government in 1918, and very likely for it they got the support of our free trade friends. But what has been the result? It is strange, Mr. Speaker, how the chickens come home to roost. Only two or three days ago I noticed in the press an article telling us that a trainload of fifty-three cars of farm tractors was being hauled to the prairie provinces. From where? From the works of the International Harvester Company in Chicago, if you please. Now, farm

tractors are required for the development of this country, and that being so, why not encourage our own people to build these tractors in Canada? Then he goes on:

> The present government since its formation has lowered the duty on agricultural implements.

Yes, this government has reduced the duty on farm machinery—with what result? Our imports of farm implements in 1926 were $17,325,000 and in 1927 $25,782,000, or an increase of $8,457,000. That is to say, the increase in our imports in that period amounted to 48 per cent. What about exports, on the other hand? In 1926 our exports of farm implements totalled $17,318,700, whereas in 1927 they amounted to $16,701,500, or a decrease of $617,200—that is to say, 3½ per cent. Here again we have an increase in imports of manufactured articles and a decrease in business when we attempt to sell these things abroad. Where is our agricultural implement business going to? Then take motor cars. It would make one weep, Mr. Speaker, to look into our motor car business and examine the returns of our imports and exports issued by this same Minister of Trade and Commerce. Let us take vehicles, for example. In 1926 we imported vehicles to the extent of $54,038,000—surely enough. That ought to be enough of imports of vehicles, embracing almost entirely motor cars. But apparently the government did not think these imports were large enough, and so we find in 1927 that they had increased to $65,431,000, or an increase of $11,392,000, or 21 per cent. And what do we find in the matter of exports so far as vehicles are concerned? In 1926 our exports of vehicles amounted to $39,430,000 whereas in 1927 they had declined to $33,758,000, a decrease of $5,672,000, or 16 per cent. In imports we find an increase of 21 per cent and in exports a decrease of 16 per cent. Surely that is providing work for the people of this country.

The writer of the article from which I have been quoting goes on to say:

> There is enough demand in Canada at present for articles of iron and steel to keep our existing domestic plants busy so that our additional demands must need be imported from other countries.

Well, that is the final blow to the industry. There we have a straight-cut declaration of policy on the part of the government, a positive intimation that they have absolutely no consideration for the iron and steel industry of this country. We must get our supplies from outside because we are not capable of producing them here. That is an unequivocal indication of the intention of the government to destroy the iron and steel industry in all its branches, lock, stock and barrel. Hon. gentlemen from the maritimes and from Ontario who are asking for more protection for iron and steel so that the industry may be built up in order to provide work for the people of this country may just as well kiss the business good-bye and forget all about it until we get a new government, one upon whom we can count.

The Minister of Agriculture (Mr. Motherwell) is taking a hand in this affair also.

Mr. MOTHERWELL: Just looking on.

Mr. FRASER: He gets excited about imports and exports; once in a while he is much exercised in this regard. An important delegation from the National Dairy Council of Saskatchewan a short time ago presented to him certain facts in regard to the cream and butter industry, and now I am giving him information concerning other industries. All these industries are going in the same direction; they are all going to the bow-wows on account of this government's policy. The Minister of Agriculture, good natured soul that he is, came to Ottawa after they had made this declaration, and when he realized that the dairymen were alarmed at the state of the industry, he poured oil upon the troubled waters by giving these people exactly the same assurance as the Minister of Trade and Commerce has been giving to the people of Toronto: "Don't be afraid. Our imports are increasing and our exports decreasing, it is true, but all is well with the industry." Yes, all will be well with the industry when the government succeeds in having the whole business transferred across the line to the other side. In the last two years the Minister of Agriculture has altered the basis of this industry from an export of 24,000,000 pounds to an import this year of 10,000,000 pounds.

And the same thing is true in regard to any other business you like to mention. Let us take boots and shoes, for example. In 1926 we imported 802,744 pairs as compared with 805,532 pairs in 1927, or an increase of 2,788; while our exports have dropped from 110,534 pairs in 1926 to 87,634 pairs in 1927, or a decrease of 22,900 pairs.

In the matter of fish, our imports in 1926 totalled $2,376,800 and in 1927, $2,995,500, or an increase of $618,700; and our exports of fish declined from $35,984,000 in 1926 to $33,109,000 in 1927, or a decrease of $2,875,000. Apparently there is no end to the trend of events which all point to the total disappearance of industry from this country. Is it any

wonder that there is an exodus of people from Canada and that we are looking for immigrants to take the place of the capable citizens we are losing?

Let me give you the figures relating to wood products. In 1926 our imports were $9,335,947 and in 1927 $10,571,878, or an increase of $1,235,931: that is to say, 13 per cent. And so far as exports of wood products are concerned, there has been a decline from $54,174,989 in 1926 to $48,817,326 in 1927, a decrease of $5,357,663, or 10 per cent.

Then we have the fruit industry; exactly the same state of affairs exists in this business. Our imports of fruits in 1926 totalled $29,550,000 and in 1927, $32,820,000, an increase of $3,270,000, or 11 per cent; while our exports in 1926 amounted to $8,512,000 as compared with $5,539,000 in 1927, a decrease of $2,973,000, or 34 per cent.

The same thing is true of butter, which I mentioned a few minutes ago. And as regards cheese, our imports have increased 48 per cent. Those who are interested in the dairy industry will note that fact—an increase of 48 per cent in our imports of cheese, notwithstanding the fact that this country used to be the leading cheese producer in the world. It will take just one year more of this government's administration to wipe out the industry, and there will be no cheese factories left. But while there has been an increase of 48 per cent in our imports of cheese, our exports of the same commodity have declined by 15.9 per cent. The same thing is true, again, of eggs: our imports have increased by 7 per cent while there has been a decrease in exports of 148 per cent. Is it any wonder at all that the people of this country are getting tired of the present government? How long will it take the government to put Canadians out of business entirely and force them to cross the line, whether they want to go or not?

I have almost finished, Mr. Speaker. I believe I have two minutes left and in that time I will try to discuss a more pleasing subject, one which the government probably would rather listen to. I want to call their attention to conditions in the Peace River country. There is no denying the fact that in the Peace River district there is presented a great opportunity to bring in a population which would very rapidly enhance the prosperity of that part of the Dominion, because we have there a very fertile and productive territory.

[Mr. Fraser.]

Mr. SPEAKER: The hon. member's time is up.

On motion of Mr. Glen the debate was adjourned.

On motion of Mr. Lapointe the house adjourned at 10.30 p.m.

Monday, March 5, 1928

The house met at three o'clock.

DEPARTMENT OF NATIONAL REVENUE

AUDITORS REPORT ON REORGANIZATION

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That 400 copies in English and 200 copies in French of the report of Messrs. Clarkson, Gordon & Dilworth respecting the reorganization of the Department of National Revenue be printed forthwith, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

PEACE RIVER RAILWAY OUTLET

Hon. CHARLES A. DUNNING (Minister of Railways): A week or two ago the hon. member for Peace River (Mr. Kennedy), asked whether I could table a copy of the engineers' report upon the Peace River pass as a possible western outlet from the Peace River country. I have obtained a copy of the report and table it herewith.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAREHOUSE AT CRIBBINS POINT

Mr. BELL (St. John):

1. Is there a warehouse at Cribbins Point, Antigonish county, Nova Scotia, owned by the Public Works Department?
2. If so, what was the cost of said building?
3. How much was spent for repairs on said building during the years 1925, 1926, 1927?
4. For what purpose was this building intended?
5. Is the department now receiving a rental for said building, and, if so, how much?
6. What is the name of party now using said building, and what rental is paid by him, if any?
7. Have the fishermen of this district access to and part use of the building?
8. If so, on what conditions?

Mr. ELLIOTT:

1. No.

2 to 8. Answered by No. 1.

BOARD OF GRAIN COMMISSIONERS

Mr. COOTE:

What was the revenue and expenditure of the board of grain commissioners in connection with the inspection and weighing of grain during each of the last three crop years?

Mr. MALCOLM:

Revenue: 1925, $1,304,145.66; 1926, $1,745,-189.38; 1927, $1,631,181.45.

Expenditure: 1925, $1,069,379.56; 1926, $1,275,-068.56; 1927, $1,637,594.46.

MR. D. B. HANNA

Mr. HEAPS:

1. Does Mr. D. B. Hanna draw any pension through the Department of Railways and Canals?
2. If so, what is the amount?

Mr. DUNNING:

1. No.
2. Answered by No. 1.

BREAKWATER AT RUSTICO

Mr. MACDONALD (Kings):

1. Has a contract been let for repairs to the breakwater at Rustico, Prince Edward Island?
2. What is the nature of the work undertaken, and the amount of said contract?
3. What are the names of all tenderers in connection with this work, and the amount of each respective tender?

Mr. ELLIOTT:

1. Yes.
2. (a) The rebuilding of the outer portion of the breakwater for a length of 280 feet immediately inward of the outer block, and a width of 21 feet, and also the reconstruction of the headblock. (b) Approximately $21,584 (unit prices).
3. Andrew Martin, Bloomfield, P.E.I., $21,-584 (unit prices); Farley and Grant, Ottawa, Ont. $22,643 (unit prices); Everett McLeod & Duncan MacKenzie, French River, P.E.I., $22,767.50 (unit prices); Henry James Phillips, Charlottetown, P.E.I., $28,446.50 (unit prices).

CANADIAN NATIONAL RAILWAYS—CASH ADVANCES

Mr. STEWART (Leeds):

1. What is the amount of cash advanced (exclusive of guarantees) to the Canadian National Railways by the Dominion of Canada in each of the fiscal years 1925-26, 1926-27, and 1927-28 (to date)?
2. What is the amount of securities issued by the Canadian National Railways and guaranteed by the Dominion of Canada in each of said fiscal years?
3. What is the amount of unguaranteed securities issued by the Canadian National Railways in each of said fiscal years?

Mr. DUNNING:

1. Government Loans: 1925-26, $10,000,000; 1926-27, $10,000,000; 1927-28, —
2. Guaranteed securities: 1925-26, —; 1926-27, $34,879,252.86*; 1927-28, $65,000,000.
3. Unguaranteed securities: 1925-26,—; 1926-27,—; 1927-28, $18,396,000.

*By Act 17, George V, chap. 7, an issue of Canadian National Railway Company 1927 guaranteed debenture stock carrying the guarantee of the Dominion, of date March 21, 1927, was issued in exchange for Grand Trunk Pacific perpetual 4 per cent debenture stock, par value £7,176,801.

MAILS BETWEEN TRACADIE AND CHATHAM

Mr. HANSON:

1. When will the present contract for the carriage of His Majesty's mails between Tracadie and Chatham, New Brunswick, terminate?
2. Who is the present contractor, and what is his remuneration per annum?
3. Has the present contract been renewed without asking for new tenders?
4. If so, on whose authority and for what reason?
5. Is it a fact that a responsible resident of Tracadie, New Brunswick, is willing to enter into a firm contract for the performance of this mail service at a figure $400 per annum less than paid to the present contractor?
6. Will the Post Office Department give assurances that this contract will be put up to public tender before being renewed?
7. If not, why?

Mr. VENIOT:

1. 30 June, 1932.
2. Euchariste Arseneau, $4,800.
3. Yes.
4. The Postmaster General authorized a renewal on existing terms and conditions. This contractor has been reported as efficient, the service adequate and the cost reasonable.
5. The Post Office Department has no information to this effect.
6 and 7. See answer to No. 4.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRANTS IN 1927

Mr. EVANS:

1. How many immigrants came into Canada during the year ending December 31, 1927?
2. Of what nationality were these comprised?
3. To what occupation did they go?
4. What religious denominations did they claim?
5. How many people went from Canada to the United States other than tourists?
6. How many returned to Canada other than tourists?

7. How many of the immigrants of 1926 are settled on farms: (a) for themselves; (b) as hired men and women?

8. What was the total cost of the Immigration department during the year ending 1927?

MAIL ROUTES IN COLCHESTER

Mr. MacNUTT:

1. How many mail carrier routes are now maintained in the county of Colchester?
2. What points do these cover?
3. What is the mileage of each?
4. What is the name of contractor?
5. Are these daily, bi-weekly, or tri-weekly for each route?
6. What is the remuneration paid for each route?
7. What is the average cost per mile where one-horse conveyance is used?
8. What is the average cost per mile where two-horse or motor conveyance is used?

FAMILIES FROM GREAT BRITAIN

Mr. ROSS (Kingston):

1. How many families have been admitted to Canada under the policy to bring 3,000 families from Great Britain to Canada?
2. When was this policy inaugurated?
3. How many persons from the Hebrides Islands were settled in Alberta under government policy or approval?
4. How many of those persons are now in residence in Alberta?
5. Where have the other persons removed to and for what reason?

UNOPPOSED MOTION FOR PAPERS

L. L. BASSHAM

Mr. CAMPBELL:

For a copy of all correspondence, letters, and other documents in connection with the dismissal of L. L. Bassham from the position of postmaster at Annette, Saskatchewan, and similar papers in connection with the appointment of his successor.

ESTIMATES OF DEPARTMENT OF AGRICULTURE

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): When the agricultural estimates were before the committee of the whole a few days ago items 44 and 46 were allowed to stand over. May I ask the Minister of Agriculture (Mr. Motherwell) whether it would be possible for him to have printed for the information of members, the various items that go to make up these particular two?

Hon. W. R. MOTHERWELL (Minister of Agriculture): I will look into the request and see what it involves.

[Mr. Evans.]

AIRPLANE FACILITIES AT VANCOUVER

Mr. L. J. LADNER (South Vancouver): I wish to ask the government whether I am warranted in expressing felicitations to them on their decision to establish at or near Vancouver, facilities, similar to those at Montreal, for the landing of airplanes, seaplanes and dirigibles.

Hon. J. L. RALSTON (Minister of National Defence): Is the hon. gentleman asking whether plans are being made to establish a landing place?

Mr. LADNER: The question is whether plans are being considered or whether any decision has been arrived at to establish at or near Vancouver the facilities I have mentioned.

Mr. RALSTON: No.

Mr. LAPOINTE: He doesn't deserve felicitations.

PRIVILEGE—MR. CAMPBELL

On the orders of the day:

Mr. M. N. CAMPBELL (Mackenzie): I find in Hansard of March 2, the following reference to myself made by the hon. member for West Elgin (Mr. Hepburn):

> In the session of 1926 his voice was raised in righteous indignation in protesting against the Moses Asiz case where a stay of prison sentence was granted allowing a man to start a jail sentence in the fall instead of in the spring. . . . . At the time the hon. member for Mackenzie was censuring the government for its actions in this regard he too had successfully pleaded with the department for a stay of jail sentence for a bootlegger regularly convicted in his own riding.

The hon. member is possessed of a very vivid imagination and in this instance he used it to the limit. I have never at any time, either in this house or out of it, either publicly or privately, criticized the then Minister of Customs, the Hon. Mr. Boivin, or any other member of the governmenet in connection with the Moses Asiz case. Indeed, sir, if one will refer to my remarks at page 5015 of Hansard of June 25, 1926, it will be found that I made myself very clear with respect to the government. I pointed out that if there were no more charges against the government than those against the then Minister of Customs, the late Hon. Mr. Boivin, I should be prepared to vote confidence in the administration. I made no reference either then or at any other time to the Moses Asiz case. Further, may I point out that the farmer, on whose behalf I pleaded with the Clemency branch of the Department

of Justice for time to get his crop in and pay the fine, was not even charged with the crime of bootlegging; his was a very minor offence. The hon. member goes further and makes some reference to a case now before the courts of the land. I will not repeat the impropriety of which he was guilty, and discuss the merits of that case in this house at the present time further than to say this, that when the matter has been publicly discussed and all the facts are known it will be found that these facts will reflect serious discredit on the party to which the hon. member belongs.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Friday, March 2, consideration of the motion of Hon. J. A. Robb, (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan, and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. J. A. GLEN (Marquette): I am quite sure that the Minister of Finance (Mr. Robb) will expect no bouquets from me to-day for the proposals contained in his budget speech, but that need not prevent me from extending to him my sincere sympathy in the discharge of the high duties of his office. He is a somewhat paradoxical gentleman, and as he sits and listens to criticisms of his budget speech he must come to the conclusion that he is of all members of the house the despoiler and the destroyer of our economic system. Yet it is a peculiar and remarkable thing that of all the members of this house there is none more trusted and more fully respected; he is certainly one of the greatest assets of this government to-day.

I propose to address myself more particularly to the two amendments which have been moved, the first by the hon. member for St. Lawrence-St. George (Mr. Cahan) which is as follows:

> This house regrets that the measures proposed by the government do not tend to provide increased employment in Canada, nor to induce the return of Canadians to their native land, nor to prevent the continued emigration of our people to the United States; and that they make no provisions for the preservation of our domestic markets for Canadian farm and dairy products, nor for the effective development of the natural resources of the country, nor for the abolition of the sales tax by the 1st of January, 1929—

It will be noted that the hon. member makes no reference to the reduction in the rate of income tax. He stated at the beginning of his speech that his was—

> . . . . the task of replying to that address and of setting forth as best I can the views and policy of the Conservative party in this house and in the country on the several matters enunciated by the Minister of Finance . . . .

In the course of his speech the hon. member made some slight and casual references to the income tax, in one of which he admitted that the reductions in the income and sales taxes were reductions of special war taxes, and from the lack of comment on these reductions in the amendment I assume, as this house is entitled to assume, that the Conservative party are in favour of the reductions proposed. I intend to deal with that proposal later on, in its proper place. By this amendment the hon. member deplores the fact that the proposed measures do not tend to promote increased employment in Canada, to induce the return of Canadians to this country or to prevent the emigration of our people and I assume from the phraseology employed that this is intended to cover three major proposals, the latter two of which are related and should really form one.

I have carefully read the speech of the hon. gentleman in order to ascertain the remedies proposed by his party to overcome these defects, and so far as I can ascertain he proposes to meet these difficulties by the application of certain principles which he enunciated in the course of his speech, and which will be found in Hansard of Monday, February 20. I have not time to read these nor do I think it necessary to deal with them seriatim; they are couched in the usual form of convention resolutions dealing with matters of policy. They are broad enough to cover the Dominon of Canada; they are wide enough to embrace every body, political, religious and social, and they are deep enough to justify their application by any party in whatever way is found most convenient. Unfortunately for the hon. gentleman, however, they were framed in a setting which portrayed a picture entirely different from that conveyed by their verbiage; I think there was no necessity for so many words, because I am satisfied that one word alone would have conveyed the whole meaning, and that word is "protection." If that is not the meaning of the resolutions, and if that is not the method by which the unemployment and the immigration problems are to be settled, then the hon. gentleman has missed the import of all the speeches made from his side of the house.

With that principle I do not agree, nor do those who sit around me. Consider paragraph 4 of these principles, which is as follows:

The stabilization in Canada of the costs of living and the costs of implements of production on such comparatively low bases as will enable our people, in producing and selling our surplus of national products abroad, to compete advantageously with the products of foreign countries in our common markets abroad.

That is exactly what we in the west have been striving for during many years, and we have found that to be contrary to the policies adopted by the party to which the hon. gentleman belongs. The west has advocated free trade on those articles which comprise the essentials of living and the means of production, at the same time not denying to the east the same advantages. So far as I know, no one denies the east the advantage of free trade; no one wishes to deprive the manufacturers of their right to the raw material which enters into their finished product.

Let me quote a few examples to show how the manufacturers have made use of this principle. You will find that they are entitled to a drawback of 99 per cent on rolled iron, rolled steel and pig iron when used in the manufacture of mowing machines, reapers, harvesters, binders and attachments for binders. They are also entitled to a drawback of 99 per cent on steel used in the manufacture of cutlery, files, augers, auger bits, bit braces, hammers, axes, hatchets, scythes, reaping hooks, hoes, hay or straw knives, agricultural forks, hand rakes, skates, stove trimmings, bicycle chains and windmills. Manufacturers who import malleable iron castings or steel shafting for use exclusively in the manufacture of mowing machines, harvesters, self binding or without binders, binding attachments, reapers and complete parts thereof, cultivators, harrows, horse rakes, seed drills, manure spreaders, weeders and complete parts thereof, ploughs and complete parts thereof, wind stackers and threshing machine separators including baggers, weighers and self feeders therefor and complete parts thereof, spraying machines, fruit or vegetable grinding machines, incubators, brooders, jimmy hooks, shears, hay grain cutters, fanning mills, milking machines and so on are entitled to a drawback of 80 per cent. All materials entering into the cost of the manufacture of binder twine or twine for harvest binders, when imported for such use exclusively by manufacturers manufacturing such twine only are entitled to a drawback of 99 per cent.

These finished articles include many of the implements of production. Under our tariff laws the manufacturer is entitled to a drawback on the materials used by him in the manufacture of these implements; in many cases he pays a duty of only one per cent. This is a fundamental free trade policy; the manufacturer requires it and no one gainsays his right to it, but there is no known method by which the farmer can secure such a drawback, and consequently he can only work for relief by way of lower duties. Surely there is something inconsistent and illogical in the system which permits the manufacturer to accept a free trade policy in the initial processes of his business but to deny that policy when he imposes a duty on his finished article, which duty must be paid by the farmer who has no drawback and who cannot add to the price of his product. The consumer says that if it is necessary this should be done, but I am sure the hon. member for St. Lawrence-St. George will agree that it should not be done on the ex-parte statement of the manufacturers alone. We say to them: Prove your claim before the tribunal which has been constituted, namely, the tariff advisory board, and when it is proved then, and then only, shall the remedy be applied.

The latter part of the amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan) regrets that there are no provisions—

—for the preservation of our domestic markets for Canadian farm and dairy products nor for the effective development of the natural resources of the country, nor for the abolition of the sales tax by the 1st of January, 1929.

The hon. member does not deal at any length with any of these propositions, and I shall follow his example. I will merely say that the arguments advanced by the hon. gentleman on the question of markets, if he will pardon me for saying so were not very convincing. I shall deal with the question of the sales tax later. In my view, therefore, there is nothing that I can hope for by supporting the amendment of the hon. member. It seems to me that its form and its enunciation are more academic than real. It may be good doctrine from the point of view of the hon. member, and he may believe it, but it is not sufficient to convince me, and I shall therefore oppose the amendment. I come now to the sub-amendment of the hon. member for East Lambton (Mr. Fansher), which reads as follows:

This house regrets that the government proposes further reductions in the income tax, thus making a serious departure from the principle of direct taxation; that the proposed revision of the customs tariff is inadequate to bring effective relief to the consuming public; and that the sales tax on the necessaries of life has not been eliminated.

Now the subamendment is in a different class from the amendment in that it is categorical in its terms and concrete in its application. I will deal in the first instance with the second part of it as to the revision of the customs tariff. I am not convinced that the sweeping charge made has been proved either by the mover in his fair and able address, or by subsequent speakers fair or unfair. These schedules are still unintelligible to the ordinary member, and the extraordinary member who does understand them has not revealed himself. There is need of investigation before definite conclusions can be arrived at, but I think that some general conclusions can be stated on part at least of the schedules. Prior to the introduction of the budget I, like others, was struck by this fact, namely, the absolute lack of press or other propaganda for increased or higher duties; even Besco was unwontedly silent. There may have been other causes, but I feel that at least one of the causes was the demolition of the applications of the manufacturers before the tariff board. I have always said that this question of tariff reform could not and cannot be understood until the question has been properly presented and properly published. We are now in the position where evidence can be presented, and only at this session can it now be published. I am going to suggest to the Minister of Finance that the evidence of the tariff board should be published in the form of a daily Hansard for the information of members and the public generally. After all the tariff board is a public body maintained at public expense, and its work should certainly be available to the public. Its principal function I understand is to get facts. I can only get these facts when applications are made for a hearing. In view of this it seems to me that it is altogether too early to decry the work of the board. It is only beginning to function, and if the government wishes the board to function as it should, and if it wishes to remove the suspicion which has been voiced in this house that the board is only a smoke screen for the government, it can easily dispel that suspicion by the publication of the records of the board.

Now, sir, I have, like most hon. members, considered as carefully as I could the question of the proposed changes in the tariff schedules submitted by the Minister of Finance. I realize that a number of these proposals are for the purpose of reclassification and enumeration of different items, tending to give a more scientific and more understandable tariff schedule. To that idea no one will take exception, and I do not think it would be unwise to suggest a revision of the whole of the customs schedule. I realize in some degree what that means but as, in the last analysis, the government must depend upon supplies for the carrying on of public business, and as the largest part of our revenue is derived from customs, the undertaking would only be what might be called in ordinary mercantile establishments good business. Now apart from this classification I think it can be shown that there are a number of items, affecting cottons and linens principally, on which reductions are made in the existing tariff; and I think there are one or two instances which show increases. But I will not presume definitely to pronounce upon these items in this forty minute speech; when the budget goes to committee I shall take whatever opportunity presents itself to ascertain precisely the truth of the statement I have just made. The Minister of Finance has stated on his authority as a member of the government that there have been downward revisions. That statement from one in his position must be accepted as correct, failing evidence to the contrary, and so far as I have heard or read no one as yet has endeavoured to prove the contrary.

I am further strengthened in my viewpoint by this fact, that if no downward revision has been made, then one would imagine that the industries affected would have no complaint, and hon. members opposite who support protection and the sheltered industries would have acquiesced. I took the trouble to search Hansard and learn what has been said by hon. members, and I find that the member for South Waterloo (Mr. Edwards) said on the 23rd of February, as reported at page 731 of Hansard, referring to the Minister of National Revenue (Mr. Euler):

> He is an able native son of our county. But with the influence which I presume he has with this government it seems to me that he might have been a little more successful in protecting some of the industries which are established in the southern part of the county and which have been very badly hit by this budget. I refer more particularly to the textile industries, those of woven cloths and worsteds.

And the hon. member for Fort William (Mr. Manion), an apostle of high protection, said on the 21st February, as reported at page 656 of Hansard:

> While the tariff changes may seem minor when one looks at them first, already from reports coming in to members of this house who have in their constituencies mills which are affected by these tariff changes, it looks as if serious injury was once again going to be done by this government to the industrial life of this country.

Further on he says:

As time goes on, the government and the people of this country will find that the reductions in the present tariff, though minor in appearance, will do more injury to the industrial life of our country—

That is the opinion of this hon. member, and what have the industries affected said or done? I have not asked for nor obtained any names, but I am informed that numerous representations have been made by the woollen industry against the changes in the customs tariff rates. Some of these have been made in person, others by letter or telegram, and the burden of the complaint is that the revision will mean that they will have to close up their plants. Various textile manufacturers have objected to the changes on the ground that they require more and more protection. Paper manufacturers have interviewed the Minister of Finance and have protested against the eighty per cent drawback on paper used in the production of magazines. Cordage manufacturers have sent delegations protesting against the reductions. Chemical industries have interviewed the Minister of Finance and protests have also been received from them.

In view of these gloomy anticipations which, in my judgment, are only a repetition of the honk of the automobile, it seems to me that the sub-amendment is inadequate on this point, and its real meaning is that the budget has not gone far enough in its downward revision. But I must assume in the light of present knowledge, that the manufacturers who ought to know their own business are convinced that the proposed alterations have a downward tendency and consequently that revision will have an effect on the price to the consumer. As I said at the beginning, I am not here to hand out any bouquets to the Minister of Finance and I do not think he would expect them from me. These revisions are not what I hoped for; they are considerably less than I expected, and I would certainly have been much more satisfied with greater cuts. I am not unmindful of the fact that the present Minister of Finance, in his budgets since 1922 and in his dealings with tariff, cannot surely be charged with serving the cause of protection, but that whatever revisions have been made have been consistently downward. Only on Saturday morning I happened to receive in the mail the February issue of the Journal of Commerce which somewhat goes to support what I have said. This Journal of Commerce is a review of industry, commerce and finance, published monthly from the Garden City Press at Gardenvale, Quebec.

[Mr. Glen.]

An hon. MEMBER: A Tory paper.

Mr. GLEN: Certainly a Tory paper. In its February issue this is what it says:

Evidently the federal government has decided to maintain the fiscal policy inaugurated in 1922 and continue to build up a market for Canadian products in foreign countries in preference to the home market—in fact, at the expense of the home market. This is the fiscal policy of the internationalist, the socialist and the pacifist—the person who hopes that some day international boundaries will disappear; and feels that only under such circumstances will the peace of the world be no longer endangered by tariffs and trade wars.

Further on it says:

A Policy of Disturbance

The reductions in the rate of import tariffs and the institution of drawbacks of duty made by the federal government, announced in the budget a few days ago, are far-reaching in the disturbance they will cause to Canadian industry. They are made in the name of the consumer; but they will cause much curtailment of employment and reduction in wages, which will lessen the consumer's ability to buy, without effecting an appreciable decrease in prices. They are not what the Canadian producer asked for. They are just the opposite. They are what the internationalistic mind considered necessary to keep Canada moving in the direction of its idealistic goal of free trade.

May I say, however, that an article such as that in a paper published wholly, I would say, in the interests of protection, can only be some commendation to the Minister of Finance and to our point of view that there is a reduction and a downward revision of the tariff, but may I also say in all kindness that the large measure of support which the government has hitherto received is attributable to the fact that the people of the west believe and expect, as the years go on, that further and larger reductions in tariff will be achieved with benefit to the consuming public of Canada, and without injury to the manufacturing industries.

I wish now to deal with the other two subjects mentioned in the subamendment, namely, the income tax and the sales tax. The mover of the subamendment was eminently fair in his presentation, imputing no motives and certainly giving no indication that the amendment was carefully drawn to embarrass old-time colleagues. I can hardly say the same of the speech of the hon. member for Vegreville (Mr. Luchkovich), a new member who has met these members only since he came here. I gather that the hon member attends church and reads the Bible, but he goes even further than our old friend Mark Twain, who is said to have once humorously remarked that he never went to church for the reason that he hated to hear anyone

speak more than himself. But the hon. member for Vegreville when he goes to church not only listens but wishes to dictate to the clergyman in the pulpit what text he shall preach from, for he gave to my esteemed colleague the hon. member for Lisgar (Mr. Brown) a text for his speech. I would only say this, plagiarizing an old country statesman, that there is nothing more ludicrous than the spectacle of the dwarf assuming the mantle of the giant, strutting and declaiming before the footlights.

The hon. member for Mackenzie (Mr. Campbell) has also seen fit to read a lecture to some who sit on this side of the house and particularly the Minister of Immigration (Mr. Forke). I would have imagined he would have produced better authority than extracts from newspaper reports of the speeches of the Minister of Immigration, because it is well known that during last summer the hon. member was chiefly engaged in denying newspaper reports. I would not like to say very much with regard to the speech of the hon. member for Southeast Grey (Miss Macphail). I listened with delight to her speech, which was witty and clever, but the only fault I found with it was that it contained no argument. In fact I thought in her speech she had demonstrated that age-old time-worn reason sometimes given by women when they do not wish to enter into details and they say, "Just because." She does not like the Conservatives. She does not like the Liberals. She does not like us. She does not like the budget. Why? Just because.

With regard to the proposed reduction of the income tax, let me say frankly—and I have never feared to face any issue—that I view it with disfavour and especially I have serious misgivings as to the policy so far meagrely stated by the Minister of Finance and by the government. If the few words of the Minister of Finance indicate a policy, I gather that it is in the minds of the government to withdraw altogether from the field of individual income taxation, leaving that field to the provinces. There are in the precis of the interprovincial conference some bald statements which leave a great deal to be filled in. There is no indication that this question was seriously stressed by the provincial members attending, although it may have been, but I wish to point out as seriously as I can that it would be a departure from principle to withdraw from this field with a consequent loss of revenue increasing as the years go on, and it would result in one of two things. If our country should again have a period of stress and distress, not necessarily caused by war, and there arises the need for revenue, where would the government of that day look for it? They would have again to impose the income tax or place the burden of producing revenue upon the customs tariff. Who suffers most during periods of distress? To ask the question is to answer it. The common people will be again asked to bear the load of increased duties while the affluent appreciably escape. The income tax was imposed for the payment of war debts. This house has been regaled with figures of that debt, and I shall not enlarge upon it except to say that until that debt has been paid, or sufficiently so as to be within the reach of the ordinary revenue of the country, the elimination of that field of taxation should not be sanctioned. If the provinces feel the necessity of broadening their bases of taxation, then surely there is the way out. Let the Dominion retain control of the income tax on individuals and pay to the provinces the amount so collected within the provinces, less the cost of administration, always assuming, of course, that the Dominion government can afford to relinquish the revenue derived from that tax. I trust that we shall hear from the government as to what is intended regarding the corporation tax. No mention has been made of it, but certainly both as to the individual and the corporation tax we should have a statement of policy from the government.

With regard to the sales tax, at first glance at the amendments I was inclined to agree with the demand contained in them, but I was rather disturbed to learn that the revenue derived from the sales tax and the manufacturers tax, better known as the luxury tax, for the year 1926-27 was $94,908,237, and the estimated revenue for 1927-28 was given to me as $82,000,000, or a difference of $12,908,237, arising from the proposed reductions in this budget. The thought naturally arises in my mind, from what source can this be replaced? I cannot imagine that the Finance minister will extract revenue from the country in the same manner that a conjurer extracts articles from a hat, and supposing, which is not unreasonable, that a deficit occurs in next year's budget; with these taxes eliminated, where would the Finance minister go for revenue? He would want to do one of two things—either reimpose the sales tax, or raise the customs duties. Both of these would be opposed by the mover of the sub-amendment and by the mover of the original amendment, and those supporting the Conservative amendment, in the event of a deficit, would hail it as a further evidence of the need of protection. But both would be wrong. I prefer the sales tax, which can be seen and traced, and

which is in form direct taxation, rather than the indirect form of taxation by means of customs duties.

In looking at the subamendment, which asks for support on the ground that the sales tax on the necessaries of life has not been eliminated, I notice that it does not go so far as the original amendment, which asks for its complete abolition by January 1, 1929. I thought it well to look over the list of articles which are to-day exempt from the sales tax, and which I find in the Canadian Almanac for 1928, at page 119. I there found that the following articles embracing many of the necessities of life and implements of production are exempt:

Bread, butter, cheese, coffee beans, corn meal, eggs, fish, flour, foods cereal, fruit canned, lard, meats and poultry, milk, oatmeal—

I am glad oatmeal is exempt. Also agricultural implements are exempt as follows:

Binder twine, binding attachments and parts, drain tiles for agricultural purposes; engines, gasoline and portable; fanning mills, feed for calf, cattle, hogs and poultry, fence posts, fertilizer, forks pronged, fuel of all kinds, furs, gas, harness and parts, hay, hoes, logs, machinery of different kinds, milking machines, mowing machines and parts, paper, seed drills and parts. Shoes exempt 50 per cent, sleighs, spades, wagons, wool.

In all, there are over 300 exemptions.

Now in view of the loss of revenue which would accrue by the abolition of the tax as indicated in the original amendment, and the fact that so many of the necessities of life are already exempt from its operation, I think the Finance minister has proposed the soundest method in proposing to eliminate this tax by degrees.

I have endeavoured, Mr. Speaker, to state as precisely as I can in the short time at my disposal the provisions in the budget which can be supported. I have tried to show that support of the subamendment would require me to acquiesce in the provision "that the proposed revision of the customs tariff is inadequate to bring effective relief to the consuming public". I cannot support that conclusion, although I agree with the sentiments expressed, and do most heartily wish there had been more reductions than are indicated. I would point out that the amendment does not deny that there are reductions, but that they do not go far enough. I realize that the reduction of the income tax rate may betoken a departure from a principle which I think this House has not agreed to, and which, so far as I know, has not been a subject of discussion in the country. It is altogether probable—I would imagine it imperative—that some pronouncement in that regard will be made by the government.

[Mr. Glen.]

In conclusion, I would like to refer for a moment to what was said by the hon. member for Peace River (Mr. Kennedy). I was astounded when I heard the hon. member suggest the other day that there was a possibility of a deal being consummated by the Alberta members with the protectionists. I wonder if he was speaking for himself, or was really endeavouring to voice the opinions of the west. May I say that the members sitting on this side representing western constituencies are unalterably opposed to any such deal, and further, that I believe the hon. member is wholly and absolutely mistaken, in supposing that the people of the west would countenance such a proposal. The greatest condemnation of the speech of the hon. member was the tremendous applause it received from the Conservative benches. They know, as most people in the west know, that such a deal would be in the nature of that known as robbing Peter to pay Paul, Paul representing the protectionsts. I will say this, however, that I believe such a scheme would obtain the hearty support of the hon. members for Mackenzie (Mr. Campbell), Camrose (Mr. Lucas), and Kindersley (Mr. Carmichael). I am sure they would put no obstacles in the way of the consummation of an alliance so unholy. It would in my judgment be the death knell of all the hopes of the west. I cannot help but think it might well be expressed in the words of the old limerick:

There was a young lady of Riga
Went out for a ride on a tiger,
They came back from the ride,
With the lady inside,
And a smile on the face of the tiger!

Mr. IRVINE: Look at the smile now!

Mr. GARLAND (Bow River): That is what happened to the Liberal-Progressives.

Mr. GLEN: May I say to the hon. members who have lectured us so frequently in this debate, that we seek neither their commendation nor fear their recriminations. We believe that the interests of the west are as safe in our hands as theirs. We do not propose to make a political gesture on this budget for home consumption, even at the risk of being misunderstood. Nothing would be easier from the point of view of safe tactics than to vote for the subamendment; but it would be only a gesture.

Mr. W. A. BOYS (North Simcoe): Mr. Speaker, I do not think I should commence my speech without expressing to my friends opposite my appreciation of the measure of applause which they have given me on this occasion—I suppose it is because I seldom trespass upon the good nature of the house.

As I have said on previous occasions, during my years as chief whip of the Conservative party, I thought silence was golden, and I imagine my hon. friend the government whip (Mr. Casgrain) will probably agree with me in that.

My main purpose in rising to take part in the debate is to discuss the merits and demerits of free trade and protection in connection with certain Canadian industries. But before doing so I wish to say a word or two upon three or four matters which have been engaging the attention of the house. First, I shall touch on the question of the right of the Minister of Immigration (Mr. Forke) to issue permits under the provisions of the Immigration Act.

If I required any excuse, Mr. Speaker, for touching upon this subject, it would be found in the invitation given by the minister himself to the lawyer members to express their views. If the rules of the house permitted, I should be glad to read what was said during the dialogue which took place between the hon. member for Frontenac-Addington (Mr. Edwards) and the Minister of Immigration and the Minister of Health (Mr. King) last Tuesday, February 28. But I think my recollection is accurate when I say that the Minister of Immigration stated distinctly that he had not authority under the act to issue a permit in the case under discussion. If I am wrong in that I shall be glad to give him an opportunity of correcting me, for I can assure him that I have not the slightest desire to mis-state anything he said in the discussion. In this view he was supported by the Minister of Health, and evidently it was thought that what had then been said was insufficient, for two days afterwards the Minister of Health himself made a speech dealing with the matter. To summarize the position, both ministers are of opinion that under the act the Minister of Immigration has no right to issue a permit.

In the discussion last Tuesday nothing was said about section 18, but in his speech the Minister of Health says that is the controlling section, and because of it there is no right to issue a permit. I am sure, Mr. Speaker, we will all agree upon this, that if ever there was a case that merited the exercise of favourable discretion on the part of the Minister of Immigration—if he has that discretion—it certainly was the case in question. I do not think for one moment that the minister would want to separate a baby of fourteen months old from its mother, nor, on the other hand, the mother and baby from the father and the other four little members of the family. I am sure the whole house is agreed upon that proposition. It therefore brings us to a direct discussion as to the power of the minister under the act. To properly consider the question it will be necessary for me to quote one or two sections. Under section 3 we find this provision:

> No immigrant, passenger or other person, unless he is a Canadian citizen, or has Canadian domicile, shall be permitted to enter or land in Canada, or in case of having landed in or entered Canada, shall be permitted to remain therein, who belongs to any of the following classes, hereinafter called "prohibited classes":—

Then follow the various classes, and the main class is found in subsection (a):

> Idiots, imbeciles, feeble-minded persons, epileptics, insane persons, and persons who have been insane at any time previously;

Then follows a subsection with respect to diseased persons, and so on, which I need not trouble the house with. Now let me quote section 4:

> The minister may issue a written permit authorizing any person to enter Canada, or having entered or landed in Canada to remain therein without being subject to the provisions of this act. Such permit shall be in the form A of the schedule to this act, and shall be expressed to be force for a specified period only, but it may at any time be extended or cancelled by the minister in writing; and such extension or cancellation shall be in the form B of the schedule to this act.

Then follows a subsection No. 2 providing for returns of such permits to parliament.

Now then, the Minister of Health, to whom up to date has fallen the lot of giving the house the benefit of the law on the subject, says that the controlling section is section 18. Any person who reads the act will see that this section has not the slightest bearing upon a case of this kind because it deals with cases where an appeal is to be taken from the decision of the board of inquiry. There was no appeal in this case. The child never landed, but was compelled to return to Scotland with its mother. So section 18 has not the slightest bearing upon the case. I am ready to admit that had the parents of the child appealed from the decision of the board of inquiry to the minister, under that section the child could not have been admitted. But, sir, there was no appeal taken, and the section has no application whatsoever. Therefore we are driven to a consideration of section 3 and section 4. Let us again consider section 4:

> The minister may issue a written permit authorizing any person to enter Canada, or having entered or landed in Canada to remain therein—

And here are the important words:

—without being subject to the provisions of this act.

Even if section 18 had any bearing upon the case, its application is absolutely excluded by the provisions of this section; but it has no bearing whatever. Supposing we read section 4 this way:

The minister may issue a written permit authorizing any person to enter Canada, or having entered or landed in Canada to remain therein regardless of the provisions of section 18.

That is exactly the meaning of the section. Undoubtedly under section 4 the minister has the right to issue a permit. He is not sitting in appeal; therefore the other provisions of the act do not apply.

In dealing with the other features of the case the minister, in the course of the discussion, said that he would not admit a feeble-minded girl. Why does he say that? Does he think there is any distinction in the act between a feeble-minded girl and a feeble-minded boy? If so, I say there is none whatever. I do not know why he thought fit to make that interjection. If he could give a permit for the entry of any feeble-minded person, he could have issued a permit in this case. The minister invited the lawyer members of the house to express their opinion. I would suggest that the minister ask an opinion from the Justice department—not as to section 18, because it has no application; let him ask whether or not he could have issued a permit in this case where no appeal was being taken under the provisions of the act. I venture to say he will never produce in this house a written opinion from the Justice department favouring his contention.

Mr. FORKE: Are you in favour of admitting feeble-minded girls?

Mr. BOYS: I say again to the minister that we have nothing to do with feeble-minded girls as distinguished from feeble-minded boys.

Mr. FORKE: Or feeble-minded boys?

Mr. BOYS: I am not here to express my views upon the subject, I am trying to discuss, pursuant to the minister's invitation, the provisions of the act with regard to the matter.

Now, Mr. Speaker, let me deal with the motion, the amendment, and the subamendment before the house. So far as the subamendment is concerned, there is only one feature that I would not be glad to support; that is the middle feature. I had better read it all:

The government proposes further reductions in the income tax, thus making a serious departure from the principle of direct taxation; that the proposed revision of the customs tariff is inadequate to bring effective relief to the consuming public; and that the sales tax on the necessaries of life has not been eliminated.

So far as I am concerned I benefit to some extent by a reduction in the income tax. But this benefit is not anything like as important as many people think. On an income of $10,000 it means $23; on an income of $5,000, half that sum, and above that income in proportion. I would much prefer to do without that benefit, and, speaking purely from a selfish standpoint, I am inclined to think I would benefit more by the abolition of the sales tax. But whether I would or would not, I am absolutely in favour of the total abolition of the sales tax at the earliest possible date, and I am in accord with the suggestion made on behalf of this policy in the amendment. And when the time comes and the revenues of the country permit a reduction in income tax, by all means let us have it; but let the first tax to be abolished be the sales tax, thereby benefiting not the few, who can afford to pay, but all the people of the land. I could not favour the middle portion of the subamendment because it would be contrary to the protective principle with which I agree. I could not support the subamendment for the further reason that it entirely abolishes the amendment of my own party and that in itself would be a sufficient justification for my voting against it.

A word as to the Home Bank. In the riding I represent to-day there is not, I think, a person who will benefit by anything further that may be done in connection with the Home Bank depositors, but in the riding I formerly represented, prior to 1925, that is, South Simcoe, there were over 1,300 depositors with total deposits of nearly $400,000. It was undoubtedly the intention to give the 35 per cent to all depositors of $500 and less, and all of over $500 who were what is known as needy or deserving cases; but unfortunately the amount estimated to be necessary for the purpose was inadequate and I understand that it now requires something like $400,000 more—

Mr. ROBB: My hon. friend will allow me to correct him. The government provided sufficient but in the other house it was reduced.

Mr. BOYS: I am not making political capital out of it; I quite agree that it was done in the Senate. What I desire to do is to convey to the minister and to the house my own views regarding the matter, from an equitable standpoint, and because I cer-

tainly was interested in the 1,300 odd depositors in South Simcoe alone who had on deposit the amount I have mentioned, I feel it my duty to bring the matter up. It would be manifestly inequitable if they were not all treated alike. I think, therefore, that whatever sum may be necessary to give them all 35 per cent that item should be provided for in the estimates, and it will certainly have my heartiest support.

I want now to refer to the Canadian National Railways. During the last two or three years a persistent effort has been made to suggest to the people of the country that the Conservative party is not, at any rate 100 per cent, behind the Canadian National system. I may say that in my own election in 1926 this question was brought up,. and the Minister of Finance will recall the circumstance, for he honoured us with a visit in the town of Collingwood. An effort was made locally during that campaign to prejudice the electors of my own town against me in this regard. The town is a divisional point where there are six or seven hundred railway employees. I am glad to say that those employees, fully knowing my attitude towards the national railway, paid no attention to the efforts which were put forth both in speeches and in print. Anyone who knows anything at all about the matter is perfectly aware that there would be no Canadian National railway system in Canada to-day had it not been for the Conservative party, whose legislation it was that took over the Canadian Northern and the Grand Trunk, consolidating both and thereby creating the Canadian National Railways. After the election of 1921, when our friends opposite took power, I well remember at first how this matter was viewed. There was not one of those hon. gentlemen who would stand up and declare himself absolutely in favour of the Canadian National Railways; the attitude was, "We will give it a fair trial." But the proposition of the Conservative party was so sound that hon. gentlemen opposite have not only given it a fair trial but now want to claim the parentage of the child.

Mr. HOCKEN: The government claims to be the stepfather.

Mr. BOYS: I must hurry now. I am afraid I shall not have time to cover the whole ground.

Mr. CASGRAIN: Take your time.

Mr. BOYS: I will come now to the question of free trade and the tariff. I hold no brief whatever for the manufacturer; I am not interested in any manner whatsoever in any manufacturing industry in Canada. But so far as I am concerned I do favour adequate protection. I repudiate the suggestion that the party to which I belong are high protectionists, although I believe there are cases where a higher protection would result in lower prices, and in that respect I should think the principle would accord with the views of any hon. member. I feel I have a peculiar right to discuss the question of protection inasmuch as I was elected twice upon that issue and it fell to my lot to be opposed, both in 1925 and 1926 by no less a person, than the Hon. E. C. Drury, the leader of the Progressive party in the province of Ontario, ex-Prime Minister of Ontario, past master of the Ontario Grange, and, until a few days ago, president of the Progressive party itself. He is perhaps one of the ablest, and certainly one of the most outstanding free traders in the Dominion. The Hon. Mr. Drury challenged me to a joint debate and as a matter of fact we had two debates, one in the town of Barrie and one in Collingwood, the subject under discussion being the tariff. We each had, all told, an hour, and perhaps it is not amiss for me to say that I doubt whether in any country town there have ever been two more largely attended meetings. In my own town the armory was jammed; there were over 4,000 people present. And in the skating rink in the town of Collingwood the attendance was also exceptional, many being unable to gain admittance. I may add that a good many persons came from beyond the confines of the county of Simcoe, expecting no doubt a scrap of some sort. We discussed the tariff, and I will take this opportunity of showing to the house some articles that played a very important part, particularly in the election of 1926. I made it my business to have a friend of mine attend the meetings of my opponent to find out just what he was saying to the people, and I ascertained that he was going about with a small general stock of merchandise comprising ladies' dresses, ladies' silk stockings and hardware of varied descriptions, including two hammers. These hammers are well known in the county of Simcoe and fairly well known in the province of Ontario, but I do not suppose they are quite so well known in other portions of the Dominion or in the House of Commons. I have these hammers here and I thought the house might be interested to have a look at them. They were utilized for the purpose of exterminating me politically in those two elections. They have a history and it is necessary that I should give that history if the house is fully to appreciate what took place. I noticed that during the last week of the campaign of 1925 they were not displayed. I really did not know at that time why their use was discontinued, but for some reason or other they were abandoned. Now

Mr. Drury's argument was this: "Here is a hammer made in the United States, price $1.65; and here is another hammer made in St. Catharines, Canada, price $1.75". As I say, this is Mr. Drury's argument, which I am illustrating in my own humble way. He was much more dramatic than I can be. He said, "If it were not for the tariff you would be able to buy this American hammer for $1.35 instead of $1.65". Of course, he received warm applause; the argument created great satisfaction among the farming community then present. I heard no more about the hammers during the last week of the campaign but after the election I heard something about them. I found that they were available. Mr. Drury had not bought them; he had only borrowed them, and having had the full use of them for a month he returned them. Having ascertained that they had been restored to the place whence they had come, I inquired whether I could purchase them and was informed that, like any other article in the store, they were for sale. I promptly said, they are mine, and I bought and paid for them. That hon. gentleman went around for three or four weeks telling the people that this hammer was made in the United States, and if it were not for our tariff it could be bought for $1.35, while the other hammer was made in Canada. On both these hammers, however, stamped in the plainest possible lettering, we find the words, "Made in Canada." They are here for anyone to see, and they were there at the time to be seen. Mr. Drury's explanation, when finally cornered, was that he thought one was made in the United States. To be fair to him, he was apparently deceived by that little tag, but how in the name of goodness he could carry these hammers around for two or three weeks, producing them in the well lighted halls of North Simcoe, and fail to observe those words "Made in Canada " is beyond me. I do not suggest for one moment that he did it deliberately; I cannot think Mr. Drury would do that, but it is in keeping with many other fallacious arguments advanced by Mr. Drury and those who think with him on the question of free trade.

In deciding to what particular industries I should direct my attention, I wanted to get some which affected the rural population as much as, if not more than, the urban population, and I wanted to get two on the free list and two on the protected list. I think the arguments I am about to advance can be applied to a great many other industries, but the ones I have selected, rightly or wrongly, are those two standard industries with which all free traders deal and with which Mr. Drury dealt in the debates we had together. I refer to binder twine and cream separators. The other two articles, both highly protected with a duty of 30 per cent, are rubber and leather.

The stock argument of the free trader is that the tariff is a tax and invariably the tariff raises prices; that is the argument we have to meet. In the election of 1925, before I knew the story of these hammers, I answered Mr. Drury in this way: If the tariff is a tax and always raises prices, and since the United States of America is one of the most highly protected nations in the world, why do you want free entry of their goods into Canada? If your argument is right the prices would be high and you would only secure the free entry of high-priced goods. That is what I cannot understand about many free traders; they want to get United States products into this country, while no one will dispute the fact that the United States is one of the most highly protected countries in the world. Therefore, if the tariff is a tax surely the articles produced in the United States under this high protection must be high priced, and how are the people of Canada to gain by their free admission?

Now let us analyze the binder twine business. Binder twine was put on the free list in 1898, and we will see what were the imports of binder twine from that time on:

Year	Pounds
1895	2,036,409
1900	8,016,688
1905	11,405,052
1910	22,161,179
1915	28,577,030
1920	16,304,497
1921	34,755,071
1922	46,758,792
1923	49,990,387
1924	54,427,211
1925	26,576,587
1926	47,629,886

Then let us consider the production from 1920 to 1926 I could give this at greater detail, but I do not believe anything is to be gained by so doing, because there is not much variation in the figures. The total production during those years was as follows:

Year	Pounds
1920	40,548,845
1921	37,206,502
1922	31,891,713
1923	43,145,520
1924	57,420,864
1925	48,224,782
1926	58,431,083

If you take away from the total production the amount of the exports you will find that in every year with the exception of two,

more binder twine was imported into Canada than the amount of Canadian binder twine consumed. Perhaps I should also show the effect upon prices:

Year	Cents per pound
1913	9
1914	9
1915	8
1916	10
1917	17
1918	22
1919	22
1920	20
1921	17
1922	12
1923	11
1924	12
1925	14
1926	14

The house will see that free trade did not reduce the price of binder twine, but that as a matter of fact the price was raised and is now much higher.

What was the effect upon the industry? Is there anything that should succeed in Canada better than the binder twine industry? I can hardly imagine what it might be, unless it were the furniture industry. I am absolutely consistent in that also; I say a duty of 30 per cent on furniture is all right. That is my view and I hope to demonstrate it before I get through. I have not the slightest reference to my friend the minister, who was very fair and whose figures are very favourable to my argument. What happened to the binder twine industry? Prior to binder twine being placed on the free list a great many companies in Canada were manufacturing that article; I have not counted them, but I am going to show the house what happened. Remember that binder twine was placed on the free list in 1898:

Ayton Cordage Company, Ayton, Ontario, liquidated 1903.

Canada Flax and Fibre Company, Lachine, Quebec, liquidated 1911.

Canadian Cordage and Manufacturing Company, Peterborough, Ontario, liquidated 1910.

Chatham Binder Twine Company, Chatham, Ontario, liquidated 1904.

Brandon Cordage Company, Brandon, Manitoba, liquidated 1904.

Ferguson Brothers, Kingston, Ontario, liquidated 1902.

Frontenac Cordage, Kingston, Ontario, liquidated 1905.

McKenzie & Company, Valleyfield, Quebec, liquidated 1908.

Perth Flax and Cordage Company, Stratford, Ontario, liquidated 1906.

Walkerton Binder Twine Company, Walkerton, Ontario, liquidated 1903.

Welford Brothers, London, Ontario, liquidated 1902.

James Brown and Son, Quebec, Quebec, dismantled.

A. Main and Son, Hamilton, Ontario, dismantled.

Thomas Connor and Sons, St. John, N.B., dismantled.

A. W. Morris and Brothers, Port Hope, Ontario, dismantled.

James Lochrie, Toronto, Ontario, closed.

Richelieu Cordage Company, St. John, Quebec, closed.

Bannerman Brothers, Lachute, Quebec, burned.

Farmers' Binder Twine Company, Brantford, Ontario, burned.

That left three up until two years ago, namely the Consumers' Cordage Company of Montreal and Dartmouth; the Plymouth Cordage Company of Welland and the Brantford Cordage Company of Brantford, and the latest information is that in 1926 the Dartmouth plant of the Consumers' Cordage Company ceased to manufacture binder twine, while in July, 1927, the Montreal plant of that company also ceased the manufacture of this article. That leaves only two. I understand there has been something of a controversy during the last few months in the Ottawa Citizen on this very question, and in this connection I would like to quote in part from a letter which appears in the Ottawa Citizen under date of February 7, 1928, over the signature of the Brantford Cordage Company. It was suggested that this business was not as well managed as it might be, and this letter is the answer of the company:

> The business is still under the active management of Mr. C. L. Messecar, under whose direction the business was built up from small beginnings until it has become the largest binder twine plant in the British Empire . . . . the present difficult situation is entirely the result of new competition that has arisen from Holland and Germany.

The closing paragraph of the letter is as follows:

> We have spoken to many representatives of western farmers' organizations and wherever the matter has been explained to them, they have agreed with us that some action should be taken and we trust this explanation will make our position clear. We can assure you there is nothing in the way of good management or handling of the business that can overcome the present handicap, for every other mill operating in Canada is suffering in the same way and one mill has recently closed and been dismantled, and the others, like ourselves, are operating with the hope that something will be done; but if nothing is done, it is not reasonable to think that any mill can continue indefinitely to operate at a loss.
>
> Yours truly,
>
> The Brantford Cordage Co., Limited.
>
> Jan. 31, 1928.

And this is one of the two remaining industries, and the largest one in the British Empire. That letter practically says "If something is not done we will go out of business too". And yet we have people who

suggest that there should be free trade in the case of an industry such as this which is absolutely suited to the country and which could make money under proper tariff conditions.

Mr. MILLAR: Are not these two companies producing more now than was being produced in Canada in 1898?

Mr. BOYS: I am not in a position to give my hon. friend that information. I do not carry all these figures in my head. In any event I do not think it is necessary. The story I have told should satisfy even my hon. friend who desires to see this particular industry flourish in Canada.

Now let me go on and deal with cream separators, which is another industry operating under free trade. The following were the imports in the seven years from 1920 to 1927 inclusive:

1920	$749,022
1921	956,785
1922	314,202
1923	229,656
1924	509,973
1925	408,787
1926	724,794
1927	997,548

May I tell the house, Mr. Speaker, that every figure I am giving is taken either from figures supplied by the Trade and Commerce department, or from sworn evidence before the tariff advisory board, which evidence is available to the public. The Minister of Trade and Commerce has cited in connection with rubber industry more favourable figures than I intend to give. Now let me give figures of the production of cream separators for the same period:

1920	$1,683,634
1921	934,923
1922	727,655
1923	854,067
1924	724,909
1925	816,468
1926	1,096,215

If you add to that the bowls which are imported as well you will find that the latest returns would indicate about a fifty-fifty division of the trade. Is there anyone who would suggest that if these binder twine and cream separator companies had enjoyed the benefit of the Canadian market that they would not have been able to operate to capacity, with corresponding low overhead charges, and that prices would have been much lower? But the main thing, perhaps, is that we would have had thousands of workmen living in Canada, receiving their wages in Canada and spending their money in Canada.

[Mr. Boys.]

Let me pass on to other industries. The information I have already given tends to bear out, I think, what I have suggested, that protection leads in the majority of cases, I will not say always, to lower prices.

The rubber industry in this country enjoys the benefit of a general tariff of 35 per cent. The Minister of Trade and Commerce told the house the other night that not in connection with a single tire of any size whatever made in Canada did the price reach more than 8 per cent higher than the corresponding United States price.

Mr. BANCROFT: What is the tariff in the United States?

Mr. BOYS: What has that to do with my argument? I am just stating that the tariff in Canada is 35 per cent, in favour of the manufacturer, and if the suggestion is that the tariff is a tax, and raises prices, and that the manufacturer here takes advantage of the tariff would you not expect to see his price at least 25 per cent to 35 per cent higher than the American price for the same article? I have here a list of every tire which is made in this country and there is not one in the whole list which shows a higher price to the extent of even 10 per cent. The Minister of Trade and Commerce said there were none higher than 8 per cent, but I have to admit that in the price list for October 1, 1927, which I have, there are two or three which do run slightly over 9 per cent, but almost all of them are 5 per cent. Let us take the Ford tire. I presume there is no tire which is more generally used than the Ford tire. Take a 30 x 3½ and the United States price for that tire—I am now giving the dealer's prices; I think we will all agree that we should not take any other price because we know that the retail prices vary; the further a man is from the market and the smaller his sales, the higher his price must be, so to get a fair comparison we will take the dealer's prices—and the United States price to dealers is $8.13. That same tire is made and sold in Canada for $7.16. It is made from the same patent, the same moulds, the same compounds and chemicals and under the same specifications. And yet our free trade friends tell us that the tariff is a tax and is responsible for increased prices. If this information is right where is the man who can honestly and fairly make such an argument as that? It may be that he can find some illustration to support his argument, I do not say there are none, but here is a great industry which has no more reason to succeed in Canada than the binder twine or the cream separator industry—the raw material is imported in all

cases, and this is the result it has achieved: That is to say that tires are sold in the United States at higher prices than in Canada. Take a 30 x 3 tire, the price in the United States is $7.35 and the Canadian price is $6.13. In the first of the prices I have given the Canadian price is 19.9 per cent less than the American price. These are all Goodyear tires—American tires made in the Goodyear factory in the United States and tires made in the Goodyear factory which has been established in Canada just outside of Toronto. Now take another size, 32 x 4. There is a difference against Canada of 8.84 per cent. In the size 33 x 4½, the difference is 5.32 per cent against Canada. In the case of another tire 32 x 4 the difference is 5.36 per cent. Take another one 33 x 4, the difference is 5.36 per cent against Canada. Then there is one 34 x 4½ and the percentage is 5.41 against Canada. In the case of another one 34 x 5, there is a percentage of 5.21 against Canada and in the case of a size 36 x 6, there is a percentage against Canada of 5.50. The Canadian manufacturer is only taking advantage of a fraction of the 35 per cent that he could take if he wanted to use the tariff to boost prices. You may ask why a difference should be found in this variation in the prices of tires? Well, there are somewhat different conditions to be met with in this country. We have worse roads than they have in the United States. The roads in the fall and spring, and during the winter, are hard on tires, and I am told that the Canadian tire is really a slightly heavier tire, and for that reason a slightly better tire. I do not know whether that is the information my hon. friend the Minister of Trade and Commerce has or not, but that is the information I have received. However, it is not necessary to the argument, because, as I have already said, they only take advantage of the tariff to the extent of about 5 per cent in any event. If time permitted, I could give other instances, showing that the Canadian price is lower than the American price. Take for example, conveyor belting—28 once duck, 20 inches wide, 4-ply, ⅛ inch face, 100 feet. The Canadian price is $198.20, and the United States price $210.80. I am not going through this list. I would ask the house to accept my statement that in the majority of cases, not in all, the Canadian price is lower. In the case of rubber boots, and so on, prices in the catalogue of Sears, Roebuck & Company, one of the largest United States houses, are compared with those of the T. Eaton Company as the Canadian house, and the same thing applies there. If the house will permit me to put some of these tables on Hansard, I shall be glad to do so.

Mr. SPEAKER: Unfortunately the hon. gentleman's time is up.

Mr. BOYS: I am very sorry but I must bow to this rule which I favoured but at the moment regret.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, having regard to the experience of the two hon. members who have preceded me, I do not propose to take up the time of the house or my own time with any introduction, but I shall go directly to the matters which I wish to discuss. Before proceeding with my remarks, let me suggest to the house that, in view of the policy which has been enunciated by the hon. member for North Simcoe (Mr. Boys) who has just sat down, it is rather surprising that I can find nowhere in the "swivel-chair" tariff resolution which was passed in Winnipeg any suggestion that either binder twine or cream separators should be made dutiable. I find further that my hon. friends opposite, in passing their resolution, have endeavoured at least to give the impression that:

> It is desirable in the national interest that in such revisions of the tariff the cost of living and the cost of the implements used in the production of whatever nature should be given special and attentive study.

Whatever that may mean, it at least would not mean that binder twine, which has been on the free list since 1900, should now have a duty imposed on it, and that cream separators, which I think were put on the free list during the regime of my hon. friends opposite, should have a duty imposed upon them. My hon. friends, if they thought protection was a good thing, have had ample opportunity from 1911 to 1921 to impose a duty on binder twine and cream separators. I rather suspect my good friend who leads the opposition and who comes from West Calgary (Mr. Bennett) would not regard that as a sound political move, regardless of the fact that his lieutenant behind him suggests that it may be sound economics.

I wish to discuss just one or two things which have been said in the course of the debate with regard to the position of Canada. Like other hon. members I have felt that there have been a good many sombre reflections in connection with conditions existing in this country and I should like to refer to the matter of the cost of living. Nothing is more important to those who propose to take up their residence in any country than to ascertain what conditions are respecting this thing known as the cost of living. When the hon. member for St. Lawrence-St. George (Mr. Cahan), who I am sorry is not in his place today, suggested that the cost of living is higher in Canada than in the United States, and

when the hon. member for Inverness (Mr. Macdougall) gave figures to indicate that the cost of living had increased since 1921, I hastened to look up the record in order to find out whether either of them was right. I am glad to be in a position to correct the statements made by both of these hon. gentlemen on this very important subject. The hon. member for St. Lawrence-St. George said that the government should do everything possible—

—to reduce the average cost of living in this country which is "so high in comparison with the cost of living in the same state of society across the border."

I have secured the figures of a food budget of articles in common everyday use, and I find that in 1925 that budget came to $8.70 in Canada and $10.46 in the United States. I have had that revised in accordance with present day prices and I find that the figures for 1927 amount to $9.63 for Canada and $11.44 for the United States; in other words, a difference in favour of Canada of nearly 20 per cent. The hon. member for Inverness stated in his speech:

"In 1922 the cost of living for a family budget, including foods, rent, clothing, and so forth, was $20.67 per week. In December of last year it was $21.37, a slight increase. In other words, the government have not made happier fireside climes for the poor people of Canada."

My good friend who gave the figure of $20.67 for 1922 had selected the month of July, 1922, and had attempted to compare that with the month of December, 1927. Perhaps my hon. friend missed the column, but I think it would have been better if he had looked at the figures for January, 1922, which show the cost of living for a week as $21.52, and the figure for December, 1927, is $21.37, so that there is a slight decrease. I am not, however, taking months; I think it is much fairer, when we are trying to ascertain the cost of living and to advertise to the prospective immigrant what conditions are in Canada, that we should tell him what the cost of living is for a year. The average for 1921 was $22.70, and for 1927, $21.20; in other words, the cost of living has declined.

Mr. CLARK: What was it in 1922, 1923 and 1924?

Mr. RALSTON: My hon. friend knows, and there are gentlemen within the sound of my voice who know, that farm products and food products were almost at their lowest ebb in 1922 and there was not very much room for prosperity for either the artisan or the farmer in that particular year. I am pointing out that the period under comparison from 1921 to 1927 shows a marked decrease in the cost of living. An index figure which has been prepared by the bureau of statistics shows that not only for food but for rent, fuel, and everything else that enters into the cost of living, the figure was 167 for 1921 and 152 for 1927, and the general barometer, namely, the general average of wages, which my hon. friend suggested had gone down very materially, was 182.4 in 1922 and 184.3 in 1927. My hon. friends speak a great deal about employment. The index figure for general employment in 1922 was 87.9, bearing out what I have said about conditions which existed then; and in 1927 it was 103.4.

Mr. ERNST: Why does the minister take figures for 1922 in relation to employment and wages, and figures for 1921 in relation to the cost of living?

Mr. RALSTON: I cannot tell my hon. friend at the moment what the 1921 figures are. I should be glad to get the other figures or to have my hon, friend give them.

As regards this matter of advertising Canada, the hon. member for Fort William (Mr. Manion), who is generally an optimist, I think rather threw a wet blanket over this house and he certainly did not play the part he generally does in advertising Canada when he made his reference to "thousands of closed plants from the Atlantic to the Pacific." I do not think that is a fair statement. I think the hon. gentleman, perhaps in the heat of his enthusiasm, went further than he intended. But I would point out that these things are not good advertising for Canada, and I think my colleague the Minister of Railways (Mr. Dunning) has quite truly said that no better propaganda could be used by United States immigration agents, and more than that by immigration agents from other dominions of the British Empire who are seeking immigrants from the old country. If they are able to show that responsible members of the House of Commons make these statements regarding conditions in Canada, it seems to me we put into their hands an argument which they cannot fail to use for the benefit of settlement in their own country.

I make these references only in passing because there are one or two matters with which I want to deal in regard to the steel industry, the fishing industry and general tariff matters mentioned in the budget.

Tabulations have been made and issued showing what has been done and what remains to be done under the document known as the Duncan report, and from time to time it has been suggested that a large percentage of the recommendations still remain to be

carried out. I am not going into details in connection with that report to-day except for the purpose of introducing a few words that I have to say with regard to the steel industry.

These tabluations have treated every matter mentioned in the Duncan report as of equal value: they have had no regard whatever to any sense of proportion. Now there are major matters dealt with in the Duncan report, and there are minor matters, and I want to point out that the five major matters dealt with in that report are:

1. Freight rates,
2. Money grants,
3. Coking plants,
4. Statutory harbour commissions,
5. The steel and coal industry generally.

I want to say to this house and to the province of Nova Scotia that in so far as the first four subjects are concerned, with the exception of the general financial revision which was suggested in the speech from the throne, they have practically all been dealt with as far as they legislatively can be. There still remains the matter of the steel and coal industry outside of the matter of coking plants, and that is what I desire to deal with now.

A good deal of talk is made in this country and has been heard in this house in regard to blast furnaces and as to the primary activities of the steel industry having gone down remarkably in the last few years. The hon. member for St. Lawrence-St. George the other day read a most doleful statement with regard to blast furnaces. I also heard my hon. friend from Port Arthur-Thunder Bay (Mr. Cowan) make the statement that there were 22 blast furnaces in operation in 1913 and only 4 to-day. I understand that my good friend the leader of the opposition (Mr. Bennett), speaking in Montreal a day or two ago, referred to the blast furnace industry as having been seriously depleted.

Mr. BENNETT: The steel industry, I said.

Mr. RALSTON: But all these gentlemen failed to note that there were two periods of government between 1913 and 1927, namely 1912 to 1922 and 1922 to 1927, and when I tell them that the blast furnace industry was worse in so far as employment and production was concerned in 1921, I think it will be seen that perhaps my hon. friends have not paid as much attention as they should have to the effect of the argument when it comes to deciding which party should govern this country. The period is taken from 1913 to 1927, the figures are given, and that is all that is suggested. Now I want to give the figures.

In 1913 the number of men employed in that industry was 1,589. My hon. friend from St. Lawrence-St. George gave the figure for 1925 as 656, but he did not say that in 1921 there were only 614, and he did not say that in 1927 there was an increase of 20 per cent, or 734.

With regard to production, and that is a very much more important item than how many furnaces are working part of the time, I find that the annual production of pig iron in 1913 was roughly 1,000,000 tons; in 1921, 593,000 tons; in 1927, 907,000 tons. So our friends, if they want to find out what happened to the steel and blast furnace industry, will have to go back to the years between 1911 and 1921.

Mr. CLARK: Why not take the year 1920 instead?

Mr. RALSTON: Perhaps my hon. friend will permit me to make my speech; I do not trouble the house very often.

I want to give my hon. friends another figure, and that is with regard to the balance of trade in steel products. My hon. friend from St. Lawrence-St. George suggests that we have a very large adverse balance of trade in steel products. In 1912 the adverse balance was $101,000,000; in 1921 that had grown to $169,000,000; and in 1927 it was back again to $106,000,000.

I want to say a word or two for the benefit of my hon. friend from Pictou (Mr. Cantley) who knows more about the steel industry I suppose in five minutes than I can hope to know in my lifetime, but I have the temerity to suggest one or two figures and to make one or two statements as to what the records show.

It is suggested that the steel industry has gone to the demnition bow-wows because of the fact that there was a drawback put on the duty on agricultural implements. I want to remind my hon. friend—I know he is fair enough to admit it—that the steel industry in Nova Scotia never got its real foundation until the legislation of 1897 which was introduced by the Hon. Mr. Fielding in this house, and I think he will also agree with me that from that time on the steel industry in Nova Scotia prospered. Mr. Fielding gave assistance to the industry first in 1897 for a period of five years. In 1899 this assistance was made continuous for another five years, but at a diminishing rate. In 1903 he increased

the diminishing rate of assistance which was being given, and in 1907 he gave a further extension of that assistance.

I also want to point out to my hon. friends who are very solicitous about the use of Canadian ore that Mr. Fielding was the one who introduced legislation in 1907 providing for special assistance to any industry which would use Canadian ore. But what do we find? Our friends opposite came into power early in 1912, and did they revive the assistance which Mr. Fielding had given? Not a bit of it. Did they repeal the rebate on material used in the manufacture of agricultural implements? Not a bit of it. They left the rebate there; they left the industry without the assistance which the Liberals had given. I make no complaint whatever about their not cancelling the drawback on agricultural implements, but surely they should not complain of Liberal policy when they are the ones who did not raise a finger to help the steel industry in any practical way.

Further than that, I find that they did do something else to the steel industry in 1914. A further drawback was introduced whereby wire rods were practically put on the free list, because a drawback of 99 per cent was given. The result has been that most of the iron for wire fencing of certain gauges has come in and has been used under that drawback, and thousands of tons are being imported at the present time. That was under the Conservative administration. I make no complaint about it whatever. It is along the line of Liberal policy, which is to do the best it can for the industries of this country and at the same time to encourage the primary producers. That was the policy which Mr. Fielding introduced. The steel industry, judging by experience, cannot hope for much help from my hon. friends opposite. A good many tears are being shed, but they amount to nothing more than tears when it comes to the matter of practical assistance.

The other evening one hon. gentleman said that farm tractors were put on the free list in 1918, and the imports of farm tractors have grown tremendously, from $2,000,000 in 1925, to $5,900,000 in 1926, and $8,021,000 in 1927. I am not complaining about that. It has meant cheap tractors for the farmers, but do not let my friends opposite weep and wail on behalf of the steel industry when they were the party who made these reductions.

Mr. BENNETT: I suppose the war had nothing to do with it?

Mr. RALSTON: I am not talking about the war at all: I am talking about the steel industry.

[Mr. Ralston.]

Mr. BENNETT: So was I.

Mr. RALSTON: I want to say a word with regard to the present situation. The steel industry, as I said, was dealt with in the Duncan report. I do not think anybody in this country regards the steel industry as being absolutely defunct. The records of the price of stock of the Steel Company of Canada do not so indicate, but there are primary industries, in Nova Scotia particularly, which do not enjoy the same advantages which the industries of central Canada have. The Nova Scotia industries are a long way from the market. They constitute the only self-contained British industry on the continent, and you can judge of the importance of the industry to Nova Scotia, when I tell you that 50 per cent of the assessment under the Workmen's Compensation Act is paid by the coal and steel industry. The Duncan commission heard evidence in connection with that industry and made their recommendations, and their recommendation was that the steel industry of Nova Scotia should be given similar assistance to that given the steel industries of central Canada. These steel industries are given a rebate of 99 per cent of the duty on coal used in the melting and smelting of metals. That was their recommendation. There has been a good deal of talk in this house and in the country as to why the government has not implemented that particular recommendation. I would would remind hon. members of what was said at the time. Speaking in this house on March 18 last the Prime Minister said:

> Owing to the existing uncertainty of conditions surrounding the iron and steel industry in the maritimes, the government does not feel in the position to make at present any pronouncement with respect to the commission's recommendations of a renewal of the system granting bounties with respect to steel when Canadian coal is used in its manufacture.

It will be remembered that for the last year and a half the industry has been in the throes of litigation. To announce that assistance would be given to the steel industry, with two parties contesting for its control, would simply mean throwing something extra into the ring to be contested for; on the other hand, to announce that no assistance would be given would be to throw the industry on the bargain counter. Therefore the government did not make any pronouncement whatever. That position was amply supported, not simply by Liberals but by Conservatives as well, in the press of Nova Scotia. I have in my hand a statement made by the Hon. G. S. Harrington, Minister of Public Works and

Mines in Nova Scotia, published a day or two after the Prime Minister's statement in this house. Mr. Harrington said:

There will be general regret that the present disturbed condition of the steel and coal industry has led the government to defer beneficial action toward it in keeping with the report. It is no secret, however, that a very general organization of this industry is requisite. At present it appears to be passing through the unsettled stages essential towards that end. It is to be hoped that very shortly it will emerge in a condition that will merit and obtain for it consideration as a great national asset as necessary to the rest of Canada as it is beneficial to Nova Scotia.

The Halifax Herald of the same date said:

It is not necessary to discuss the present litigation affecting the steel industry in support of such an attitude—

Meaning the attitude of the government.

—the necessity for this reservation is self-evident.

A similar statement appeared in the Sydney Post of March 21. I submit, Mr. Speaker, that these references amply confirm the soundness of government's position. Only recently has the announcement come that litigation has been terminated and that control of this great industry has definitely passed into the hands of a new and strong financial group. But there still remain certain things to be done. It seems to me that it is in the interest of this industry and in the interest of the Dominion that—first, there should be unity between the coal and the steel businesses. Secondly, there should be a shrinkage of the capital so that the industry will have an opportunity of earning a dividend on some reasonable investment. Thirdly, the unwieldy organization should be simplified. It now consists of some fourteen companies. Fourthly, there ought to be co-operation by the provincial and municipal authorities in the work of building up this great industry. With the litigation ended and these conditions met, the way will be open for serious consideration by the federal government of the presentation of the real and legitimate needs of the industry.

Now, Mr. Speaker, I want to say a word in respect to the fishing industry dealt with by my hon. friend from Queens-Lunenburg (Mr. Ernst). I regret that he should have seen fit in the course of the debate to suggest that political considerations dictated the sittings of the commission which is now investigating the fisheries of the maritimes provinces. Let me say to him and other hon. members that the places where the commission was to sit were selected solely with the desire that the commission should get just as close as possible to those engaged in the industry so that every man might have an opportunity of presenting his arguments or views. The idea was that the fishermen of the maritime provinces and a portion of Quebec—which was also included—should have an opportunity of being heard. The commission got to work in October, and even though the weather was inclement they proceeded with their inquiry, their desire being to have their report ready for this house at this session. The commission held over forty sittings, travelled sixty days and heard 818 witnesses. Naturally a good deal of expense was incurred, because the commission undertook to pay the expenses of witnesses, delegates elected at meetings of fishermen all over the maritime provinces, in order that their views might be presented. The commission will, I hope, be able to present its report in a very short time, and as one interested in our fisheries I look forward with a great deal of confidence indeed to the findings which it will make, because, as I have said, the fishermen have had as never before an opportunity to present their needs, their problems and their difficulties, and I am sure they will say that they have received a most sympathetic hearing from the commission.

My hon. friend from Queens-Lunenburg made some suggestions in regard to improving conditions affecting the fisheries. He mentioned the matter of trawlers. I take it from what he said that he is not against the trawler, that his only complaint is that trawlers which are not really of Canadian register are operating as Canadian trawlers. I assume that if that condition is remedied my hon. friend is favourable to the trawler.

Mr. ERNST: The hon. minister cannot draw that inference.

Mr. RALSTON: I notice my hon. friend was very careful not to declare himself the other day.

Mr. ERNST: I am waiting for the commission's report.

Mr. RALSTON: If my hon. friend does complain, he should look back to the period between 1911 and 1921, because that is when the trawlers began to operate in Nova Scotia. Then was his opportunity to protest while the business was in its infancy.

Mr. MACDONALD (West Cape Breton): May I ask the minister a question?

Mr. RALSTON: If my hon. friend will not take too long.

Mr. MACDONALD (West Cape Breton): Is my hon. friend aware of the fact that trawlers were on the coast in 1908, 1909, 1910, 1911 and 1912?

Mr. RALSTON: I have just said that between 1911 and 1921 was the first time, so far as I know, when trawlers operated actively and successfully. Only two trawlers were operating in 1908, 1909 and 1910 and they were failures.

Mr. ERNST: To increase fish production during the war.

Mr. RALSTON: At that time there were two trawlers; then in 1918 they had increased to eight. There are only ten to-day. If my hon. friend was anxious to deal with these trawlers—I doubt it—his party had an opportunity during that long time.

Mr. ERNST: Will my hon. friend permit just one more question?

Mr. RALSTON: My hon. friend must allow me to proceed. He suggested a constructive policy and urged that there should be efficient inspection. I think he knows that efficient inspection has been inaugurated and in active practice during the past few years, and last year a further advance was made. My hon. friend advocates collection boats. He knows that collection boats were put on last year and are working actively, particularly on the eastern shores of Nova Scotia. He speaks of experimental stations, and says that we are only "scratching the surface" in that regard. I think my hon. friend did himself an injustice in that respect, because he knows the experimental station which was started by the present Minister of Marine and Fisheries (Mr. Cardin) at Halifax is regarded as a model, not simply in North America but in England as well. The empire marketing board has specially mentioned the experimental station started by the government of Canada, and a request has come from the Imperial Economic Commission that the services of Dr. Huntsman —who is in charge of this experimental station—be loaned to Great Britain.

With regard to education, we have already established a fisheries course at Dalhousie university with the degree of bachelor of science in subjects affecting fisheries. I am glad to be able to tell this house that about two weeks ago nineteen young men returned to their homes in Nova Scotia after a six weeks' course under the system of scholarships promoted by this government, in order that they might apply to their work not only practical but scientific knowledge respecting the fishing industry. Those young men returned home convinced that the fishing industry will be best developed if scientific education goes hand in hand with practical work. They will be crusaders in this work. If I mistake not the idea is to increase the scholarships to fifty for the next course.

As to co-operative marketing, my hon. friend knows, I think, that that is essentially a matter within the jurisdiction of the provinces. I would remind him that years ago a Liberal government in Nova Scotia put upon the statute books of the province an act providing for the free incorporation of fishermen who want to work together co-operatively.

With respect to radio, my hon. friend is quite right. The hon. member for Antigonish-Guysborough (Mr. Duff) was the first one to suggest that the fishing boats be equipped with radio receiving apparatus. Last year, at the hon. member's suggestion, an offer was made to the fishermen of Nova Scotia to broadcast weather reports, but the schooner owners felt that they could not equip their boats. This year, I understand, the offer is being repeated and it is probable that radio broadcasting of weather reports and bulletins will be afforded the fishermen and that the receiving apparatus will be installed on the vessels.

The hon. member also suggests that we should have wider markets. As was suggested last year when the announcement was made by the Prime Minister with regard to the recommendations contained in the Duncan report it does seem unfortunate that our friends should find out so late that after all wider markets are what we need most to encourage all industry. We had an opportunity in 1911 to secure wider markets for Nova Scotia but we did not take advantage of it, and ever since we have been looking for the chance to develop wider avenues of trade. I would remind my hon. friends opposite that in 1923 the then Minister of Finance, the Right Hon. Mr. Fielding, inserted in our tariff laws a provision that the governor in council might authorize negotiations with any authorized representative of the government of the United States with a view to the making of a commercial agreement between the two countries that might be deemed mutually beneficial. May I also point out that Mr. Fielding also provided that any time the United States reduced their duty on certain natural products, including fish, then the governor in council was empowered to do the same. This constitutes a standing offer in the direction of developing wider markets. I would remind the house further that we have a legation at Washington, and while this is an international question such as one cannot very well discuss here in so short a time, I hope it may be possible eventually to come to some satisfactory arrangement. I do not think it can be questioned for a moment that the

Liberal party and the Liberal government have done all in their power to secure wider markets not only for the fishery products of Canada but for our other natural products as well. In order to find markets for the products of our fisheries, the Liberal government, in 1908, I believe, undertook to pay one-third of the express rates on fish coming west. That arrangement continued until 1918 when our Conservative friends abolished it. It had proved most beneficial, as shown by the fact that our fisheries products coming west increased 300 per cent in that period. But once again a Liberal government came to the assistance of the fishery industry last session by the 20 per cent freight rate reduction.

Now, may I tell hon. gentlemen what we are doing in the matter of markets. In 1923 our shipments of fresh and frozen fresh fish to points beyond the maritime provinces totalled 35,452,138 pounds, and in 1926, 49,612,366 pounds, or an increase of 40 per cent. The shipments of fresh and smoked fish by the Canadian National Railways have increased from 7,000 tons odd in 1921 to some 15,000 tons in 1926, while by express there has been an increase from 8,000,000 pounds in 1921 to 12,000,000 pounds odd in 1926. It is obvious, therefore, that we are doing something practical for the fishing industry. We cannot discount the problems and difficulties which face the fishing industry of the maritime provinces to-day, and the constructive policies which we have put in force have indicated, I think, how fully we realize the importance of the industry. When I think of these men and of the work to which they have devoted their lives, I do not dolefully picture, as some hon. members have done, village after village of silent streets and boarded windows; rather do I see men working hard and earnestly, endeavouring to do their utmost to earn a living at a vocation which is by no means easy, but at the same time exhibiting the spirit which has characterised generation after generation of our seafaring men. Let me assure the house that it is in the improving of the conditions under which these men labour, and in the effort to help them to overcome their difficulties, that we are seriously engaged at the present time. The adversity of the fishermen is the adversity of the Dominion, and similarly the prosperity of the fishermen is the prosperity of the country as a whole. That is the reason why the government is so earnestly facing the situation and trying by every means in its power to help.

Now I want to say a word with regard to the general provisions of the budget, which has been thoroughly discussed, almost every hon. member who has spoken having touched upon many phases of it. I should like to gather up a few of the thoughts that occur to me regarding the general effect of the budget from every point of view. My hon. friend from Queens-Lunenburg wanted to know what the budget contained for the fishing industry, for agriculture, and for the various other industries. My reply is that there is in this budget just what has been in every other budget brought down by the Liberal government since it assumed office in 1922: a lessening of the burden of taxation generally; special relief for those engaged in our basic industries and for the implements which they use in production; substantial relief from taxation of those articles which make up the necessaries of life; consideration for those who are least able to bear the burden of taxation; and the recognition that no one section of the community, or no one occupation can claim the benefit of special privileges. I have had necessarily to condense the outstanding results of this government's tariff legislation, and now I may indicate something of what has been done for each of our various industries.

What do we find in the case of agriculture? There has been a 100 per cent reduction of the sales tax on all essential implements for tilling the soil and gathering the crops, and in addition there have been placed on the free list such articles as mowers, harvesters, reapers, cultivators, harrows, manure spreaders and seed drills. Then there is the 99 per cent drawback on materials for the manufacture of general farm implements, besides a 100 per cent reduction of the sales tax and a reduction of from 33 to 75 per cent on labour-saving machinery for modern farming, the tariff rate now being the minimum. There have also been reductions of 100 per cent of the sales tax and of the tariff on fertiliers and spraying preparations, and a cancellation of the sales tax on feeds of all sorts and on general farm products. So much for agriculture.

What about mining? There has been a 100 per cent reduction in the sales tax on all machinery and equipment for the extraction of minerals from their natural state, and a reduction of approximately 40 per cent on all essential machinery.

So far as logging and lumbering operations are concerned, there has been a 100 per cent reduction in the sales tax and a tariff reduction of 33⅓ per cent on machinery and equipment for logging and sawing up to the finished lumber.

As regards fishing, there have been the following reductions: 100 per cent in the sales tax on all essential materials and equipment;

100 per cent in the tariff on fishermen's rope for all purposes up to 1½ inches; 40 per cent reduction in the tariff on oiled clothing; and 33⅓ per cent reduction in the tariff on motor engines and parts.

And in the interests of the great mass of our population, including all the others I have enumerated, we find that there has been a complete cancellation of the sales tax on the most essential foods and 50 per cent on others. My hon. friend from Marquette (Mr. Glen) in his admirable speech, gave a list of them. In addition to this, there have been reductions on the following commodities: 35 per cent on raw and refined sugar; 12½ per cent on cotton, woollen and flannel fabrics; 33⅓ per cent on mitts; 20 per cent on woollen socks and stockings; 25 per cent on heavy woollen underwear; 33⅓ per cent on cotton blankets; 25 per cent on sheets, table cloths, pillow cases, towels and other household cottons, and 50 per cent in the sales tax on boots and shoes. At the same time, what has happened to our industries? Have they been injuriously affected? Let me give some of the figures in regard to the number of employees engaged, and the value of the products turned out in the year 1922 as compared with the year 1926. In 1922 we find that there were 474,000 employees in all industries in Canada, producing goods to the value of $2,482,000,000, while in 1926 the number of employees had increased to 550,000 and the value of the products of industry to $3,250,000,000.

Some hon. gentleman the other evening complained of the damage done to the agricultural implement industry and he made reference to the extent of our imports under this head. I, on my part, desired to know how many implements we were producing in Canada, because after all that is the barometer: we probably have to import some owing to the extensive activities in our agricultural pursuits. In 1922 we employed in this industry 6,221 workmen and in 1926 10,091; and in the former year we made implements to the value of $18,240,000 while in 1926 the value of these products had increased to $38,269,214. As regards boots and shoes, in 1922 the industry gave employment to 13,702 workmen and in 1926, 15,016; and while the value of the products in 1922 was $45,503,858, in 1926 it was $49,096,000.

So far as mineral production is concerned, my hon. friends opposite have had a good deal to say regarding the present condition of the industry. They declare that there is no mineral production going on.

Mr. BENNETT: No one said that.

[Mr. Ralston.]

Mr. RALSTON: Hon. gentlemen have repeatedly stated that mineral production is not being encouraged.

Mr. BENNETT: That is another thing altogether.

Mr. RALSTON: Let me inform the house that the peak of mineral production was reached in 1927, with a total value of $242,000,000. In connection with our estimated surplus for this year I would remind my hon. friends that no less a sum than $14,000,000 has been written off in connection with the revaluation of lands under the soldier settlement scheme, and we still have a balance on the right side of the ledger of $38,000,000; and as regards our foreign trade, there has been an increase in the total from $1,501,731,000, the figure for the year 1922, to $2,298,466,000 in 1927, or an increase of 53 per cent.

Surely the facts I have cited must convince the house that the Minister of Finance has kept faith with the people of Canada. Geography and climate have set for the founders and builders of this nation a great problem; they have created vast difficulties. Scattered along the 3,000 miles of narrow territory are communities of men and women each with difficulties peculiar to their own vocation and locality. To keep faith with all parts of the Dominion requires courage, sympathy, judgment and sincerity. I believe that not only this house but the people of this country as well will agree that my hon. friend the Minister of Finance possesses these qualities to a marked degree.

I want to remind my hon. friend that not only must the government keep faith; not only must the Minister of Finance keep faith, but the people of Canada must keep faith one with the other. There must be mutual tolerance and mutual forbearance regarding the various problems which present themselves in their various callings and localities. To turn over the pages of this budget and simply look for those items which will give a direct and particular advantage to any individual industry or locality is not and never can be the test. I say that a study of this budget and of the budgets which have preceded it will show the same principles in all; consideration for the masses, relief from taxation, stimulation of production and encouragement of industry, and so long as these principles are maintained in our budgets no class or section of Canada need have any fear. In a word, Mr. Speaker, I think we can regard this budget as a stimulating new chapter in that book of "all-Canada" budgets which have been

brought down by the Liberal government since 1922; I believe it will be received in that spirit by all parts of Canada and that it will receive genuine support not only in this house but throughout the Dominion as a whole.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I hope you will excuse me if I do not appear to address myself so much to you as to the hands of the clock, which haunt me with the ghastly record of how quickly the few minutes allotted to me are passing away. With regard to the budget, if everything which has been said in its favour is true it is indeed a thing beloved of God; if, however, everything which has been said against it is true it is what the man in the street would call a holy terror. After listening to the extreme views on both sides of the question for nearly three weeks, I have decided to believe neither side. At any rate, the budget is a fait accompli now; it has been brought down and the government have a majority with which to pass it, so time will show the result. I would prefer now to discuss one or two points on which the policy of the government has not yet been declared, in the hope that when they come to formulate a policy they will at least give some consideration to the views of British Columbia, which I propose to express.

The first thing with which I wish to deal is the Australian treaty, and I must say I am surprised that the Minister of Finance (Mr. Robb) has not thrown the Australian treaty in our faces and cancelled it long before this, referring particularly to the members from British Columbia. After a great deal of trouble he negotiated a treaty calculated to promote trade for one of the great industries in Ontario, for the paper industry of Canada and particularly for the pulp and paper and fish industries of British Columbia, with the promise that further negotiations would include lumber, which was very desirable. But, with the exception of myself, I cannot recall having heard one word of appreciation of that action of the government, and particularly of the Minister of Finance, coming from hon. gentlemen opposite, whose constituents have been so vitally benefited by this particular treaty. Those benefits will increase in the future, because a treaty does not produce results in a moment; it takes time for its effects to become fully developed. The hon. members from Vancouver in particular have come here annually opposing that treaty; in fact they voted unanimously in support of a want of confidence motion based primarily on the Australian treaty. Vancouver is the port through which 92 per cent of the import trade with Australia passes as well as 36 per cent of the export trade; Vancouver is the headquarters of the big interests connected with the fish, lumber and pulp and paper industries, which reckon their investments not in millions but in hundreds of millions or dollars; but these members, although knowing the benefits which have been derived from the Australian treaty, come here shedding crocodile tears because, forsooth, they say harm is being done to the dairying interests by that treaty. They say that the price of butter has been lower in consequence, although it happens to be a matter of fact that the price of butter has gone up instead of down, due to causes entirely apart from the Australian treaty. But what is a little trifle like that when it is a question of some party advantage? Well, might I paraphrase those well-known words and say, "What can they know of Country, who only Party know?" That is the situation to-day.

Three or four years ago, after a good deal of effort, we succeeded in passing a measure for the protection of the dairying industry by doing away with the sale and manufacture of oleomargarine. I appealed then to hon. gentlemen opposite to vote for the measure on the basis of protection, but did they do so? Not at all; their concern then was the working man of Vancouver. They said he must have a cheap spread for his children's bread; they were the urban representatives then and must have regard for the working man. Very well; let us apply the same argument to the suggestion that the Australian treaty would reduce the price of butter, although that has not proved to be the case. Let us suppose that the treaty had that effect; according to their argument, would this not be an advantage to those workers for whose welfare they were so solicitous a few years ago? But that does not seem to work. Is it a fact that as far as they are concerned the working man is only entitled to oleomargarine on his children's bread, and should not have butter? Probably it all comes down to this; when it comes to a question of party advantage the workman, the dairyman and everyone else gets the go-by.

That is what these hon. members say here, but what do they say at home? Their speech is very modified there. Probably they will deny having said anything I might attribute to them, but I have with me some statements appearing in the Vancouver Province, the best and biggest newspaper in the west. This is a strong Conservative paper and it is also very

fair, much more so than the candidates it supports. During the election campaign the Vancouver Province stated that the negotiation of the Australian treaty was the brighest gem in the record of the King administration, and one of which they might well be proud. That statement was not published during a time of peace, but in the midst of an election campaign. I also have another editorial which appeared as late as last January, in which they said that if British Columbia wants the treaty retained, the British Columbia members would do well to make their wishes known emphatically. Have we heard them? I have not. Another Conservative paper in British Columbia states that the cancellation of the treaty would be a disaster. Have we heard that view expressed from the opposition benches? I have not. Party politics become of greater importance than the interests of British Columbia.

The results of the operation of the treaty are alleged to have been unsatisfactory, but in the twenty-four months after that treaty came into operation we increased our exports to Australia by thirty per cent; and as I have said, a treaty does not work like putting a penny into a slot machine; it takes time to reach the maximum benefits. However, we have had an increase of thirty per cent in our export trade; I have not taken the import trade into consideration, because our exports are the more valuable to us. The fish and pulp and paper industries of Canada, which largely means British Columbia exported to Australia in that period $9,500,000 worth of goods, and as most expenditures of that size naturally do, that resulted in increased work and stimulated industry. In fact, it stimulated the fishing industry so much in the direction of canning the more common grades of salmon, that the government, which had never taken any action in that direction before, were forced to place restrictions on the canners, because the British Columbia waters were being overfished in regard to these grades. That was one instance alone. The pulp and paper towns were busy and the bush was full of workers. Hon. members know how trade acts and reacts. Well, this wave of business extended to the coal industry. We cannot pack $9,500,000 worth of stuff in a canoe and take it to Australia. So it had to be shipped, and the ships carrying those commodities had to have coal, and the coal was mined in our district. Thus work was given to shipping, to coal miners, to workers in the bush, and in the paper mills and the fishing industry. Then these workers provided a ready and profitable market for vegetables, for fresh butter, for fresh cream and ice cream and for fresh milk for those engaged in the dairy industry in that particular vicinity, and anybody acquainted with farming knows that that is a far better market than sending butter to Liverpool to compete there with the products of the world.

A great hue and cry was raised by these same hon. gentlemen—in support of this I can quote from the speeches they delivered in my district during the election—to the effect that the egg industry of British Columbia was going to be ruined on account of this disastrous treaty. As a matter of fact I do not believe a single dozen of eggs has come in under the treaty. But that did not prevent the hue and cry that went up at the time. As far as Australian butter is concerned, the danger was not great of hurting the industry in British Columbia or in Canada provided that the dumping duty, of which I will speak later, was maintained. In 1926 the importations of butter into Canada from Australia amounted to 2½ million pounds. In 1927 owing to the dumping duty being imposed it had dropped to 800,000 pounds.

The National Dairy Association have presented three resolutions to the government. The first one asks that the Australian treaty as applied to New Zealand be cancelled. I am heartily in agreement with that and I will give my reasons later. The second resolution asks that the dumping clause be applied, on all butter sent from Australia to Canada either on direct sale or consignment as long as the Paterson scheme of bonusing exists. I agree with that suggestion and I will go further. I suggest that the dumping clause should be strengthened. I have reason to believe that the Paterson scheme will fail. It created such fictitious prices in Australia that New Zealand also sent its butter into that market, so I believe Australia may abandon the Paterson scheme altogether. I am in favour, I care not who calls me protectionist, of the maintenance and the judicious use of the dumping clause. It may be said that the dumping clause is dangerous. So is a revolver dangerous; in the wrong hands. A revolver is a very handy thing to have in the middle of the night when you hear a burglar moving downstairs. It should be used with discretion and so should the dumping clause. In any event I believe it should be there to be applied when needed. You remember the missionary in the days when Indians used to scalp settlers, who said that he was not afraid because the Lord would take care of him until his time came, but some friend said "Yes, that is all very well, but how is it that whenever you go out

you take a particularly vicious looking shotgun with you?" His reply was, "That's all right, I'm not inconsistent. The Lord will take care of me, but supposing I happen to meet an Indian at a time when I had not my shotgun, and his time had come, what would the Lord think of me for not having the machinery to carry out his will?" The same illustration might be applied here. When we need the dumping clause let us have it on the back premises ready to be applied whenever occasion demands. I am strongly in favour of the maintenance of the dumping clause for general use, applied very discreetly, and in favour of its application in the present instance.

The third resolution asked that the Australian treaty be done away with altogether. I am flatly and entirely opposed to that. You do not burn your house down because there are mice in the basement. Because some phase of the treaty has operated unfairly to Canada the remedy is not to do away with the treaty, which has untold potentialities in the way of trade for the whole of this Dominion. Moreover if the first and second resolutions I have quoted were brought into effect, there would be no need for the third resolution at all. I repeat that I am entirely against doing away with the Australian treaty.

Coming back now to the first resolution asking for the abolition of the Australian treaty as applied to New Zealand. That feature of the treaty was never introduced into this house; if it had been I should not have supported it. It was put into effect by order in council and I am against it. I understand it was intended as a sort of quid pro quo for the preference they had given us. Well, that is possibly true, but it is too high a price to pay for such a concession, and in any event it is not fair that one industry should have to bear the whole brunt of the effect of the arrangement. The real danger in connection with this Australian treaty is entirely from New Zealand, and I would support the immediate cancellation of the arrangements so far as New Zealand concerned. It may be said, and I have been accused of it before, that I have been making a protectionist speech. I care not what epithet is applied, I am only applying the principle of common sense to conditions as they happen to exist. I believe that like the Sabbath, the tariff was made for man and not man for the tariff. So much as regards the Australian treaty. My suggestions in that regard are: that we should keep the treaty for the benefit of the big industries of British Columbia and the workers thereof; that we should keep the dumping clause and strengthen it if necessary; that we should cancel the treaty as regards New Zealand. These are my own views I think they are the views of my constituents, and I challenge any member from British Columbia to say that the carrying out of such a policy would not inure to the general benefit of the province of British Columbia.

I want now to speak for a moment on the subject of immigration. To begin with, of course, being a British Columbian, I will touch on the oriental question, but briefly. It is true that we were promised oriental exclusion when the oriental resolution was going through this house in 1922. We were told then that the words "effective restriction" would have the same effect as exclusion. That promise has not been carried out in its entirety. I will admit all that has been said by the hon. Minister of Health (Mr. King), when he said the Conservative party had done nothing along those lines, and that the Liberal party were entitled to the credit of having passed the Chinese Exclusion Act in 1924. They also made regulations which have resulted in the control of the fishing industry passing from the Orientals to the white people. Furthermore, they got the Japanese "gentleman's agreement" cut down so that the immigration under it amounted to 150 labourers annually instead of 450. But that is not enough. We want more. We want the abolition of the "gentleman's agreement" altogether or its material alteration. We object to allowing women to come in practically unrestricted, and also to putting the control of immigration into the hands of a foreign nation instead of retaining it in our own hands. I know that negotiations have been going on to amend that "gentleman's agreement", but I declare here that I am not satisfied that our officials have exhibited the energy they should have in pressing forward our view of the matter. Orientals will stand us off as long as they can, but if we keep the whip hand and exercise the proper amount of pressure I have no doubt we shall achieve a satisfactory result. I give all credit to the statement of the Prime Minister the other day when he said that there were interimperial reasons why we should do nothing that would appear to be offensive, also that we do a large trade with the orient and hope to do more. I admit that, but I do not admit a contention made by the hon. member for Fraser Valley (Mr. Barber) the other day when he spoke in this debate. I agree with much of what that hon. gentleman said, but I do not agree with his statement that the United States have lost no trade by their somewhat offensive language in con-

nection with this matter of oriental immigration. They have lost an enormous quantity of trade. We do not want to lose any trade if we can help it, but nevertheless I take my stand with him that under any consideration we must adhere to our vision of a white Canada and I hope the government will lose no time in having the gentleman's agreement" properly altered.

Now as regards immigration generally, I wish to say, and I am sure that I shall receive small sympathy when I do so, that I am a heretic to the conventional ideas of both sides of the house. I do not agree with the immigration policy of either party. I oppose the policy of the Conservatives which I know. I am not quite so clear as to what the Liberal policy is, but to the extent to which it is indicated by the methods by which they have attempted to carry it out, I do not agree with it. Where does this cry for a vigorous immigration policy come from? It is a sonorous phrase and it sounds very nicely but where does it come from? If we track it down to its origin, it comes from the shipping interests, from the railway interests, and from the big employers of labour, who hope by that means to form a great bank of idle labour, of ignorant alien labour, which by its ignorance of our tongue and its inability to express itself at the polls will be always a cheap, submissive source of supply for them. One would suppose that the very obviousness of their self-interest would largely detract from the strength of their representations, but it does not seem to be so. And forsooth, this class of immigrants is to be assisted to come here at enormous expense. I have been a worker practically all my life; I now represent a large number of workingmen and women, and I fiercely resent the idea that they should be taxed in order to bring in workers to compete with them in the often congested labour market in which they seek to make a living. We talk about protection. Is there protection of the workingman there in regard to the only thing he has to sell? His labour, is it protected? We talk about free trade. Is that free trade in labour? No, it goes far beyond that; it is fifty degrees below the zero of free trade when you ask a man to pay to bring in a competitor to compete with him.

Another method I object to—it is not a method; it is a phantasy—the belief that we can bring labourers in from southern Europe, from the sunny towns of Italy, to work on farms in western Canada. The other day I met in Toronto a man who had come out under this assisted passage scheme to work on a farm in the west. I asked him how he landed in Toronto and he said: "I got off the train in Montreal and asked a policeman where the train for Toronto was and I got on it. What can you do about it?" I said: "You can be deported." He said: "It would be hard to find me." He never went near the prairies. I have no doubt he figures in a statement made recently by hon. members opposite when they drew a picture of so many agricultural labourers being imported into the prairie provinces in a given period and of how in the next census they were not there, and they immediately jumped to the conclusion that these people had gone to the United States. That is not the case. This man and thousands like him have gone not to the United States, but to Toronto, and I presume they are shown there as part of the natural increase. It results in Toronto getting a reputation for fecundity to which it is not entitled. I am against this system, not because it is wrong but because it is impossible and you cannot enforce it. When this investigation into the immigration department is carried out, I venture to predict that it will be found that the heads of the department are not grafters but clean men, and that a good deal of the unpopularity from which they are suffering today is because they have loyally and steadfastly set their faces against political and other pressure from outside seeking to bring in immigrants at so much a head.

It may be said: Why, this man wants to stop all immigration! Not at all. My policy is simple and fair and it has the great advantage of being enforceable. I would allow two classes of immigration: I would allow into Canada every white British subject, sound in body and mind, who pays his own passage here. The fact that he has been able to scrape together the money to come here, as I did, as an immigrant, will guaranteee in some sort that he has some stamina and is likely to make good under the different and somewhat difficult conditions in which he will find himself in this country. As regards the continent of Europe, I would impose a very strict quota, what is known as a family quota; that is, that no one could come in except someone who was an immediate relative of the man in this country who nominated him. An alien who comes here and fails to make good would not likely want to bring in his relations; but when an alien comes here and makes a good citizen, as many of them do, his son or his brother is also likely to make a good citizen, and at any rate the fact that he would be responsible for his maintenance for a certain period and furnish him with work, would guarantee that the man would not likely be a waster. I would allow that small family quota.

There is nothing sensational, phenomenal or spectacular about this policy. Sometimes statesmanship consists in doing the obvious and I am asking only that we should imitate our neighbours to the south who have had four or five generations of experience before us in this matter. They have tried the open door and they are now trying the quota system. They wish they had tried the quota system sooner, and I notice that when they deal with the quota, they strengthen it rather than make it slacker.

Another feature of my policy is that the millions that are now being spent in this futile immigration policy we should be able to use in improving the conditions of the farmer, making them more attractive, and especially by research and other methods endeavouring to do away with seasonal unemployment and to promote all-the-year-round work. In addition we would be able, out of those millions to provide old age pensions and unemployment insurance, things that the very best kind of British settler we want in western Canada is accustomed to to-day and is reluctant to leave; and he does not care to go to a country where these advantages are not before him. If we provided these, we would be more likely to get the best class of immigrant we want.

As regards immigration to the United States, of which we have heard so much nonsense—I think that is a parliamentary word—the large centres will always attract population from the smaller ones and the country districts. That has been the case from the time of Aristotle and it will be so for all time. Let me take Scotland as an illustration. Scotland is a small and in some regards a poor country and it has an enormous export of young men and women. They go largely to England and indeed all over the world. That naturally depletes the population. What do we do about such a situation? Do we howl to the government: Save us; stop the young blood from going away? Not a bit of it. Do we howl to the government about bringing in aliens from somewhere else to fill up the gaps? No. The Scotch take the very sensible method of going in for bigger and better families. In the family of which I was a member and in the families in which my father and mother were respectively members—three families in all—there were thirty-seven children, and that was no exceptional thing at all in Scotland at that time. It was in that way that Scotland dealt with the loss of her young people and the method possesses three virtues beloved of the Scottish race. First of all, it was economical; second, it was profitable and, third, it was pleasant.

I have in my hand a pamphlet called Immigration and Population got up by some of the best scientists in the United States, scientists employed not to secure an ex parte statement as we do out of figures, but to get the truth and nothing but the truth. They went very thoroughly into the whole situation; they took different periods and states and so on, and this is the conclusion they came to. They said that after a certain point had been reached—and I will indicate that point in a minute—this is what they found:

> Except for brief periods, immigration will not increase the population—

That is rather startling.

> —above the figure it will reach without immigration. . . . If we admit those from other lands we shall decrease by a like number those who will be born of those now here.

They end up with this statement:

> The question for cold-blooded consideration by the American of to-day is this: Do you want the soil inherited by your son or by the son of one who now toils in a foreign land?

That question applies with equal force to the Canadian. What happens once that certain point is reached is this: The birth rate of the local people, so to speak, of the people in America or Canada declines in exact proportion to the immigration. What is that certain point? It is proved beyond doubt by statistics that cannot be denied—and I have submitted this to professors and other learned men and statisticians and they say it is true—in the United States the change took place the moment the supply of readily available cheap land which would produce food for practically nothing was exhausted. Of course if you pour immigration into an empty country, it is bound to be good for that country; but when the saturation point is reached, when there is no more good accessible land to be had for nothing, it is like pouring water into a pail; you may change the water in the pail but you will never get it any fuller. It might be said that our conditions are different. Yes, but where have we cheap accessible lands to be had for nothing? Only in the Peace river country and that is not really accessible. In the method I have suggested we would have at first, unlimited immigration from Great Britain, which would meet that situation. If these things are true, and they have not been contradicted, we have been spending millions for immigrants to come to Canada which will not increase our numbers, and will merely change the complexion of our population.

These are my views on the Australian treaty and on the immigration question. I am prepared to support this or any other govern-

ment which will bring down a policy of that kind. I do not think I have been verbose or wasted much time in discussing these matters. I want to discuss now the biggest problem in British Columbia, and that is in connection with our fishing industry, but I cannot tackle it to-day on account of the forty minute rule. It is surely a bad rule that prevents a representative of the people discussing a matter of great importance to his constituents at the proper time, and this is the proper time. We were told that there was to be a new heaven and a new earth when this new rule was introduced. We have had two debates since, not particularly contentious, and both have lasted longer than they did before. We have had the spectacle of three or four cabinet ministers cut off in the apex of their arguments, in the very crux of what they were explaining. They had been attacked and they were defending themselves, explaining matters about their department that we had a right to know and which the house and the country had a right to know, and yet they were cut off in the very midst of their argument by this new rule. We also have this situation, that forty or eighty or a hundred men can attack a cabinet minister for forty minutes each, equivalent to eleven days of sitting, and then he has only forty minutes to reply to the one hundred members, or less than half a minute to devote to each. He must be a superman if he can do it. I hope that we shall realize the real dangers of this rule and that with your full consent, Mr. Speaker, it will be relegated to the oblivion from which it came, unwept, unhonoured and unsung.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, what a change is here! Time was when the hon. Minister of Finance (Mr. Robb), on making his budget speech could look for, and did get, a pleasant chorus of praise from all the benches to your right, sir, and from those in the far corner on this side of the chamber. In some way or another the burden of that chorus of praise is changing; there is an ever-widening rift within the lute. The hon. minister might have expected from the official opposition searching criticism because sharp differences of principle are involved; but his own supporters, straight-line Liberals, damn this budget with faint praise, and the Liberal-Progressive party—adopted or kidnapped adjunct of the Liberal party—for the most part have sat in sullen silence, until this afternoon the hon. member for Marquette (Mr. Glen) did essay a few apologetic reasons for supporting the budget; our hon. friends, the contingent from Saskatchewan, never in the house noted for being inarticulate, to say the least, have sat strangely quiet; the group on my left has protested with some force and vehemence—and that, I am afraid, is the "most unkindest cut of all". My hon. friend will remember how in other days his party and that group were

> Two souls with but a single thought,
> Two hearts that beat as one.

But now, Mr. Speaker, that group has torn the mask of smiling friendship from the government's face and at long last has awakened to a true understanding of its methods. Hon. members will recollect how this government once had the habit firmly fixed of being saved in parlous times by the hon. gentlemen, not forgetting the hon. lady, who sit to my left. Have those happy days gone forever?

An hon. MEMBER: It looks like it.

Mr. GEARY: Or are they to return? I rather think the government hope that it is a temporary eclipse only and that the light of favour will shine again. The government has experience upon which to base that hope. But perhaps, to change the simile; the pitcher has gone once too often to the well.

My hon. friend from Mackenzie (Mr. Campbell) has told the house how the siren voice of the Prime Minister has seduced these Liberals of Manitoba—or Liberal-Progressives, as they call themselves—from their allegiance, how that same voice has lured them to destruction—to destruction that is inevitable when one abandons principle. I am wondering what these Liberal-Progressives are going to say to their ardent free-traders back home. And so with the Saskatchewan contingent, I wonder what they are going to say; are they going to excuse their voting for this "fence-mending" budget by declaring that they made themselves, privately, a thorn in the side of the government? Are they going to tell of the desperate struggles in ministers' rooms and behind the closed doors of caucus to get a different sort of budget?

The hon. member for Weyburn (Mr. Young) is not in his seat. I should like to have him explain the strangeness of the coincidence in regard to his motion to repeal the dumping clause of the Customs Act. It was at the top of the list, called for hearing time and again, if my memory serves me aright, but in some mysterious way it disappeared from the order paper the day before the budget was brought down, and by some

magic reappeared the day after. Had that anything to do with the feelings of Saskatchewan with regard to the budget? Are the Saskatchewan members of the opinion that what they thought were the policies of the Liberal government have been treated fairly in the budget? I should be very much surprised to know that all is unanimity between the government and the Saskatchewan group. I wonder if my friend from North Battleford (Mr. McIntosh) will explain his vote on the budget by telling his constituents at some great meeting in the "little red school-house" how opposed he was to it; how, to be sure, he did vote for a 10 per cent reduction in the income tax, but that that was only because he was able to make to this house the brilliant suggestion that the money would be replaced by voluntary contributions towards the extinction of the national debt.

My hon. friend from East Calgary (Mr. Adshead) is pained over ths betrayal of Liberal principles, or so-called Liberal principles. But why shed his few but friendly tears at this stage? The betrayal began in 1897 and was evidenced in the very first budget of a new-coming Liberal government. The Conservative party had been swept from office just one short year before, and "the funeral baked meats were scarcely cold" when the Liberal government espoused the policy of the Conservative party, and has never had the strength to depart in fact from that policy, although it has—notably in convention of 1919, and on platform after platform, as instanced by my hon. friend from Mackenzie—set itself up as being the advocate and proponent of something entirely different. Is it any wonder, Mr. Speaker, that the groups in this house have come almost to the point of parting with this government, with its actions, its broken pledges, so fresh in their minds?

What is the result, Mr. Speaker, of this wavering by the government from year to year on its tariff policy? Simply that its policy, if it can at all be called a policy, is in a welter of uncertainty, that there is nothing stable, and there can be nothing stable, in such a policy because it is founded on no principle and has not as a basis conviction. There is no sense, there is no stability in a situation such as this, and small wonder it is that not only are murmurs heard but open revolt is seen. Without going over again a situation which has been repeatedly explained in this house, I may cite two familiar instances which will readily occur to the recollection of hon. members. It was in 1924 that the government made a magnificent gesture in the budget speech by reducing the duty on agricultural implements. There was a great objection to that reduction, a considerable outcry. The matter was the subject of a good deal of discussion between the government and some other people. Ostensibly the reduction in the duty was intended to effect a reduction in the retail price to the consumer, which reduction in price, judging from the illuminating speech which we heard the other night from the hon. member for London (Mr. White), has not at all eventuated. And the object further was to take from the manufacturer the undue profits which it was said he was making. Well, the manfacturers had something to say before that reduction finally passed into law and the result was that the chiefest of all these came from these conferences with the government, perfectly pleased and content, and in due course of time he became a minister of the government and, so far as we know, has lived happily ever after despite that handicap. In the net result, if there was any reduction in price to the consumer—and my hon. friend from London shows that there has been no reduction—it was effected, while ostensibly by a reduction in the tariff, in reality, after negotiation, by a reinstatement of that reduction by other means which placated the manufacturers. There was another magnificent gesture in 1926 at the instance of the hon. member for Macleod (Mr. Coote), the duty on automobiles being reduced in that year. That reduction was made with a good deal of eclat and considerable support was expected for the government in consequence. Thousands of workmen came to the city of Ottawa to protest and the Minister of Finance (Mr. Robb) struck an attitude:

> Come one, come all! this rock shall fly,
> From its firm base as soon as I.

Or, to use his own words, "I will stick to my guns." Did he stick to his guns? No; more conferences and more meetings in private, and at the end of these conferences the manufacturer emerged with a smile of complete satisfaction. If there has been any reduction in fact in the price to the retail consumer on these particular products that reduction has been effected at the expense of the general funds of the Dominion.

I submit that the same lack of principle is carried into the budget now before us. Hon. members have analyzed that budget with a special knowledge which I myself do not possess and I am glad to be saved any difficulty on that score. Suffice it to say that if you take the case of the big weaving man, any reduction which he has been given—and such reduction does not appear clear in many instances, but if he has been given a reduction

—he has received it at the expense of a charge upon the spinning man below him. There seems to be no definite principle. A mill in St. Mary, I think it is, the constituency of an hon. member opposite receives a benefit; a mill in Hespeler is sadly damaged; here the axe falls and there a benefit is given. Somebody gets something out of it and somebody else is hurt. Where can the system be found? No one on the government side of the house has attempted to explain the schedules in this budget and probably none of them can. But this fact does stand out, that it is by no means certain that any reduction has been made; there is the certainty that any reduction made will not find its way to the consumer. And this much we gather from the schedules, that if the big man is hurt in one respect he is recompensed by having the load shouldered by some unfortunate below him.

There has been called to my attention an item which I think is worth more than a casual glance. There is a salt belt—it may have been mentioned before but I apologise for not having been in the house throughout the whole of the session—a belt through the western part of Ontario, beginning, I think, in the riding of the Minister of Trade and Commerce (Mr. Malcolm), and extending southerly, bending a little off until it gets into the county of Elgin. Incidentally it passes through several constituencies represented by hon. members in this house, all of which constituencies, if my memory serves me, are by some coincidence represented, with the exception of one or two, by hon. gentlemen on the government benches. An application was made for an increase in the duty on salt. Now that is a staple household necessity and it was a bit thick even for this government to put a duty on salt. But something had to be done, for the government was sorely pressed. And what was done? The same old trick once again—the duty was taken off the coal used in the manufacture of salt.

I instance these matters not for the mere sake of repeating things that have been said before but to make a point which is clear to myself. And I make this point on my own responsibility. It is this: The whole system of taking care of unfortunate industries by drawback reductions in duty, rebate of sales tax and devices of that sort is wrong, and it is wrong no matter who has practised it in the past or who practises it now, because to my mind it is the wrong form for protection to take. If protection is good, if it is a valid and sound proposition, then it should be carried out in the open; protection should not be got at by devious methods or by devices such as my hon. friends on the government benches practise.

In the framing of a budget, I take it, there are two principles which in the large may be followed. There is in the first place the principle of free trade, and I submit without discussing the matter further that, the late Adam Smith and the hon. member for Rosetown (Mr. Evans), to the contrary notwithstanding, the principle is unsound. But even admitting it to be sound in general, were conditions untrammelled by circumstances, it is certainly unsound and impracticable in the condition in which Canada finds itself to-day. Apparently that is not the policy of all the members of the government; I have not heard from the Minister of Immigration (Mr. Forke) or the Minister of the Interior (Mr. Stewart), who have been heard in other days to say something quite different, together with the Minister of Agriculture (Mr. Motherwell); they have not spoken this time. The Minister of Railways (Mr. Dunning) has said he is not a free trader, however, so we may take it that one member at least of the government denies the free trade proposition. Then we have on the other extreme the doctrine of protection, and with that I wish to deal very shortly in a few moments. I may say now, however, that in its national policy the Liberal-Conservative party has protected, does protect and intends to protect where protection is proper under this system, and that protection will be extended where necessary to all branches of industry in this Dominion.

The government have taken neither of these obvious courses, but have chosen to follow what they call the middle course, although it is beyond me how there can be such a thing with any sanity to it. They say they are between the high tariff and the low tariff, but on my assumption no tariff is high which does not protect where protection is justified and no tariff is low which does more than protect in a like case. On those words of low tariff and high tariff, without reason, logic or anything to back them up, the main distinction has been drawn by our opponents between ourselves and other parties throughout this Dominion. To take a middle course with no guiding principle is to veer and shift with the wind and tide, trying to navigate without a compass. In such a case the temptation is strong to take practical politics as a guide, and I submit to you, sir, and to this house that that is just what the government have done; they have succumbed to that temptation and have even gone further. They have raised practical politics almost to a principle, and I

think I am not going too far when I say that in their handling of the tariff policy of this country we find the very apotheosis of political expendiency. With the government attempting to drift a course, so to speak, between extremes, as they choose to say, we cannot look for anything certain or anything stable; it will always be that way with this government. They have done so before and they will do it again; we know what they have done and what their ideas are in that respect and we know that the same thing will occur again; the government have their past before them.

We have been criticized perhaps more strongly in the west than in other parts of this country, and in many ways I can well understand the attitude of the western farmer. I can appreciate, although perhaps not quite fully, the difficulties with which he finds himself confronted. In this generation he is a pioneer breaking new ground, two, three or perhaps more generations after our forefathers, those hardy spirits of his own kind who pioneered in the central provinces. From our grandfathers and grandmothers we know the privations and the hardships which must be endured in a new country, and we know that through the initial struggles of our ancestors we in the central provinces have succeeded to a settled and prosperous land, with a diversity of opportunity which was not available to them in their day and generation. The time of transition has been long with us, three or more generations, and by analogy the time of transition in the western provinces would be equally long. I take it, however, that as all in this house have the interests of Canada at heart, they will all use their best endeavours, as they see the light, to make that transition period in the case of our western country shorter than it has been in the central provinces.

While the man who took up his land in the west faced with a light heart and a sense of adventure the development of that country, and probably for himself alone could continue with great joy the life that it entails, he has others to think of. He is married and there are children, and I can understand the feeling almost of bitterness when he sees that his wife has to face the privations and hardships incidental to land settlement and that his children are deprived of perhaps all the opportunities which the more settled parts of the country afford. It is no wonder that such a man cannot settle himself with patience and resignation to the task he has before him. In the east, in the central provinces he sees what appears to be affluence, while hardship is his lot and that of his family, and in these circumstances I think the western farmer was an easy prey to misrepresentation of the Conservative policy of protection.

I speak of that policy as having been misrepresented. We have been assailed as a party of high tariff; a tariff high and yet higher; as high as Haman's gallows, if you please, but that is not true. The word "protection" has been used by people who do not want to give the right impression as being protection for some special interest or special person to the end that he may acquire undue profits as the result of his labour. Again, Mr. Speaker, I say that is not true. I am not at all concerned with the manufacturer beyond seeing that he has a fair chance in the struggle to get a fair return for his capital, his energy, his skill and ability. I am concerned for his workmen, that there shall be security in industrial life and a decent living wage. They call us the party of big interests, but to those who know the texture of the Conservative party in Ontario, for instance, that is not understandable. The people of the province of Ontario would be called radicals by my hon. friends opposite from Quebec; we own the business of generating, transmitting and distributing electrical energy practically throughout the province of Ontario, with the result that we are able to give it to the consumer at cost. We own and operate our own steam railway. In my own city of Toronto we not only control the distribution of electrical energy but we own our own street railway transportation system, our waterworks and even our abattoir, and these services go to the people at cost.

In this house last year, Mr. Speaker, the Conservative party made a stronger appeal for a workable and fair old age pension scheme than did any other party. Because we believe in that principle, and because we believe that old age pensions should come into effect, we suggested and we stand by, the only method which could absolutely ensure fairly and at once the application of the policy, of paying the whole cost ourselves out of the Dominion treasury.

The opposition led, and took a substantial share in, the victory which followed, in the fight for public control of the water rights of the Ottawa river during the last session of parliament. And yet we are called the party of the big interests, whereas through the whole history of the Conservative party the object of its policy has been towards not the big interests, whatever they may be, but towards the amelioration of the lot of the common

people, and that is what we are standing for to-day. The big interests! St. James street! Do they like the Conservatives of Ontario? They do not. And still one would think we could not be trusted to formulate a proper protective policy that would conserve the interests of the common people.

I have little to add, but to my mind, Mr. Speaker, the only way of distributing the burden of taxation derived indirectly from the customs tariff in this country is under a principle that is definite. I submit to the house that principle is the principle of protection, safeguarded and carried into effect in the way I have suggested—by so controlling the customs duty that no one shall profit unduly. That has been stated time and time again, and was restated the other day by the hon. member for St. Lawrence-St. George. An application of that principle could be made in this way—and I am not attempting to discuss it in detail—this is an instance of what might be done: Supposing it is found during the time parliament is not in session that someone is taking an unfair advantage of the duty. There should be power to the government, on the recommendation of a properly constituted tariff board, to reduce or do away with the duty, just as in the opposite case we have on our statute book a law giving the governor in council power to invoke the dumping clause. That could be done and would be done, and you would then do away with the present system with all the opportunities that call to the government to make use of the tariff to suit the political exigencies of the moment.

I am not one of those who think that the opposition of the farmers to the payment of income tax is based on unworthy reasons. I do agree that if a farmer does not pay income tax it is because he has not got the income which calls for payment. I take it that the farmer is an honest man and in whatever part of the country he may be he desires to pay his fair share towards the upkeep and the management of this country. While the farmer does not pay taxation through the income tax he pays it to perhaps some extent through the sales tax, a tax that we can infer is on its way to abolition, but he pays largely by indirect taxation through the customs tariff. We must have customs duties, and since the farmer must pay his share of taxation through those duties, I take it the question which concerns him is: Am I paying my fair share and nothing more? The policy of the Conservative party—that of protection with the safeguards I have indicated—is the only policy I submit that will ensure his paying his fair share and no more. This is a general discussion, perhaps too general, on the subject of the budget, but it goes to a principle. It goes to a principle that has been misrepresented as I have indicated. And can one feel any other desire but that of granting to the farmer his rights? He cannot. Nor can we forget the artisan, the man who works in the shop or in the factory. He surely has his rights. He has the right to stay in this country and earn his living here and not be harried back and forth at the whim of an inconstant government. It is for the working man who depends upon the manufacturer that this party stands when it advocates, as it does advocate, a policy of protection on the lines described.

There is one other phase of this tariff question which to my mind goes deeply to the root of this whole matter, and that is the question of our national life. Customs duties are with us to stay. We have to have them and the burden of taxation should be distributed on some proper and equitable basis. I take it that the house will agree with me that customs duties should be imposed upon some definite principle. This party believes that that principle is the principle of protection. Each man must decide for himself, which policy is best, but in deciding, remember that it has been demonstrated, and fully demonstrated, that lack of protection, where protection is justifiable, means, slowly perhaps, but inevitably, the disintegration of the agricultural and industrial life of this country. What follows? The drift that we see to-day, more and more pronounced, towards the south; the infiltration of United States methods, commercial and political; the substitution of United States ideals, culture, and education, and of their principles of law and justice and order for those principles under which we have lived so happily; the loosening of Canadian national spirit. In short, Mr. Speaker, it means the surrender of our national life so that we will become citizens at large and men without a country. I know well that there are some who think there is nothing but good in such an outcome as that, men who look forward to internationalism. But I am of those, and they are many, who do not want to give up their Canadianism, who cannot give up their citizenship in the British Empire. There are those of us who are even sentimental enough to feel a thrill at the sight of our country's flag, a joy and a pride in being Canadians. To those, Mr. Speaker, it is worth while to struggle and to make sacrifices in order to build up rather than destroy the national life of Canada, worth while to feel, and to think, and to work with heart, and

with mind, and with strength, so that this vast and splendid land will be, and will remain for all time to come, our country, ours and our children's.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I think when I announce to the house that it is not my intention to make an attempt to deal with the budget in detail, I shall have a special claim for the undivided attention of this assembly. We have listened for a considerable period to the discussion pro and con of the budget. I am not going to discuss it, first, because what I might have said about it has already been said well and often; second, because a tariff policy for this country is a pretty well settled proposition, both parties being agreed that it must be continued, and third, because I have never been able to work up enthusiasm over a discussion of the means of collecting taxation as being any possible solution for an economic problem. So for these reasons I shall turn my attention rather to the remarks of the Minister of Railways (Mr. Dunning) in his speech the other evening when he made a special attack upon what he called group government and upon the principles which underlie the movement of which I have the honour to be a representative in this house.

I might also make reference to other hon. members opposite who made an attempt to follow the course of the minister in this regard. For instance an attack was made upon the hon. member for Southeast Grey (Miss Macphail) by the hon. member for West Elgin (Mr. Hepburn). I think I can answer that hon. gentleman's attack by just a single sentence. As I have said, the hon. member for West Elgin attempted to reply to the hon. member for Southeast Grey. I would describe that episode as Ian Maclaren described an insignificant and pompous character in Drumtochty. He said he was the "verra image o' a bantam cock fleeing in the face o' judgment." Mr. Speaker, I say, let him flee. The hon. member for Southeast Grey is quite capable of taking care of herself and it is not necessary that I should rush to her assistance, but I cannot let pass the opportunity of making a remark with regard to the speech of the hon. member for Marquette (Mr. Glen). I think his speech of this afternoon was the most naive, skilful and masterly evasion that it has ever been my humiliation to listen to. After he had declared that he did not know what was in the budget, he indicated that he was going to support it. After having criticized the hon. member for Southeast Grey for having that female type of mind which does not require a reason, he says: "I am going to vote for the budget," and when we inquire why, he says, "Because." I should like to take the time to restate the argument of the hon. member for Southeast Grey. I am sorry that it escaped the attention of the hon. member for Marquette and I think he ought to read it again because, if he can answer the argument of the hon. member for Southeast Grey, he owes it to this house and to his party to do so. The facts which she marshalled from the history of the party are sufficient absolutely to condemn it and I think her argument needs to be answered.

I turn my attention to the minister in question and I shall deal with his argument a little more thoroughly, not because I regard it as being in any manner destructive of the political position which this group holds, but rather because the high position which the minister occupies in this house lends to his argument an authority which a close examination of the subject matter would not warrant. When a minister of the crown is headlined across the country as having wiped out the argument for group government, there are those who may give credence to the announcement. He reminds me of Maud, who, having got married, went on her honeymoon and elected to go a long sea voyage. She said to herself that she and her husband would act as though they had been for many sea voyages together, but the husband, having noticed a long line of life buoys lashed to the rail, inquired of the skipper why he had taken all these spare tires. The minister posed as a student of political economy and political history; but when we come to examine his argument, no matter how well he may have posed, his remarks will spoil the show. I want, however, to congratulate him on his astuteness, for it were better for the Liberal party of this country that the people in general should concentrate their attention upon the alleged dangers of group government than that they should fasten their eyes upon the actual government of the day and the budget which is being discussed at the present time.

I desire also to congratulate him upon his astuteness in another matter. He has discovered that the birth of group organizations constitutes the only formidable challenge that the party system of which he is the protagonist has ever had in this country. I should like to point out to the minister in the terms of Fox that the people of Canada have emerged from the euthanasia of politics; that they have got over their apathy in respect to public matters and that they have given up that acquiescence to things as they are; in short

that they have recognized with Disraeli the drollery of the thing called representative government.

I want to confine my remarks to the minister's reference which was a criticism of the United Farmers movement. First of all let me point out that when he charges us, if his statement be regarded on his part as a charge, with believing in group government, I do not know of any single instance when as a group we have proclaimed our belief in group government. I know of no declaration of our annual convention at any time upon which the minister could pin his accusation, if indeed he regards it as being such. In view, however, of our group system of organization, we might regard group government as a fairly logical implication, and if it is, we shall not run away from it. But I merely want to point out that our movement stands for something far more important than group government. The United Farmers movement is an awakening of the people to a sense of personal and collective responsibility in respect to democratic citizenship, and the election of members to this house is only one small phase of that citizenship duty. Deeper and far more fundamental than political action as it is commonly understood, is economic action, and I think that the economic action which has been taken by our movement in the west has been so important and far-reaching in its possibilities, so spectacular in its achievement, as to require no further comment in that regard. We are concerned not less with the social life of our various communities. We are concerned with the securing of that measure of human happiness which alone can make life worth while and which leads us to take an active interest in such matters as education, the health of the people and the moral and social life of the community. Briefly stated, we regard our movement as the means by and through which we shall be able to make our contribution to the building up and developing of an intelligent civilization. There is no democratic action, regardless of the phase of life with which it may be concerned, which is outside of the scope of our movement's interest. That our group may be efficient as a democratic unit in an intelligently organized state, we regard certain things as being of vital importance. These I shall enumerate, and comment upon the most important of them.

First of all, we believe in organization because we do not think that an unorganized people can go anywhere even if they know where they want to go. We believe in organization because a mob can only do one thing, and that is to follow a leader whoever he may be, and the leader as a rule with the most attractive shibboleth and the most money and advertising gets the largest number of votes. We believe that organization is essential, and so we have striven to build up one that is real and alive.

We believe, next, that in order that we may know where we are going it is well to have a little education, and so education is of great importance to our movement in the west.

Next to this comes our principle of co-operation. I notice that some hon. members of this house have indicated by their remarks in this regard that they entertain rather peculiar notions of what cooperation means. I wish I had the time to deal with it as thoroughly as I should like, but I must pass over it speedily with only a few remarks.

We believe in cooperation because we have discovered that competition has become destructive. There was a time, of course, when the competition which to-day has become destructive was the only thing that could be. To-day, however, competition internationally has become so destructive that the nation which wins a war is the one which loses most. Competition has become so destructive in industrial warfare as practically to mean the destruction of the industry concerned, and both organized men and organized capital lose. I refer to one case which has come before this house on several occasions to prove my point—the Besco case. There you had organized capital fighting organized workers, and they fought with each other until the industry was threatened with destruction, if not actually destroyed. That is what competition does to-day; it has reached the destructive stage. Competition in this house has become destructive. This is a tug of war; this is not a government, and we who are in this corner sometimes grab the coat tails of hon. gentlemen to our right, and sometimes slip across the floor and pull on the coat tails of hon. gentlemen opposite. This is not what I would regard as an intelligent assembly bent on carrying out the business of this country in a cooperative way. If it satisfies hon. gentlemen, I suppose I shall have to take it whether I want it or not, but surely I am permitted to say that it does not satisfy me. Cooperation presupposes a higher common interest than I have ever heard voiced by either party in this house. It presupposes also that the entire civilization of which we form a part should have an intelligent aim. Has our Canadian civilization an intelligent aim? If so, this parliament has not discovered it, for I have not found a pulling of all together towards any common aim. Professor Jacks once gave an illustration which I will use here.

He told of looking from a skyscraper hotel down into the streets of Detroit, where he saw a great number of motor cars going north, south, east and west. He realized as he looked down upon them that each one was going some place by itself, but when he took them all together they were not going any place at all. That is a pretty fair picture of our Canadian civilization. We have a great number of groups in this country, despite that hon. gentlemen opposite have not yet recognized that fact. We have organized manufacturers, organized bankers, organized preachers, organized farmers, organized bootblacks, and heaven knows how many others we have. Each one of them by itself knows where it is going, or thinks it does, but when we take them all together, can any hon. gentleman tell me where they are going? I say that civilization has to have some intelligent aim so far as Canada is concerned, and that aim cannot be discovered in the spirit of antagonism and conflict for power which incessantly occupies the attention of this parliament. Cooperation, it is said by hon. members, cannot be practicable because the selfish interests of each group will always force that group to try to gain the masterful position. I want to say that that is a narrow view of the situation. I am not going to deny that selfish interest is there, and that it is the dominating factor, for it is by that selfish interest that we are going to get cooperation.

Let me give another illustration. I want you to think of a mine, a railway company, and a farming community. It is the selfish interest of the mine to get as much wheat for as little coal as possible. It is the selfish interest of the farming community to get as much coal for as little wheat as possible. It is the interest of the railway company to get as much wheat and coal as payment for services, in return for as little hauling as possible. Let us suppose that these three economic groups which we have in our country to-day are fighting amongst themselves and that two of them combine to impose conditions which are insufferable upon the other. What happens? If they impose on the coal mine, the railway company does not have any coal to supply its power and it has no coal to haul. It cannot, then, haul any wheat either, and the farmer will freeze to death. So there is a minimum of well being below which no functional group in the community can be allowed to sink without destroying the best interests of all the other groups. So the very selfish interests of each group is that which I bank upon, if I may be permitted to use that term, to bring about co-operation.

Let me stop here to say that to-day the conflict which exists between parties in this house is the greatest hindrance to the idea of co-operation. It stultifies its very spirit; in fact, it kills it at birth.

Next we believe in the stability of our organization. If we are going to build an organization through which we can function as citizens it will have to become stabilized, and we discovered that the economic interest was the most intimate, the most vital, the most permanent, and the most universal that we could find, and upon that we based our organization. It is because of that very fact that the Alberta organization has withstood the attacks and the shibboleths of the party system for a number of successive elections.

Our next principle is that we invite all other economic groups in the state to do as we are doing—to organize, to equip themselves with the knowledge required for intelligent co-operative effort, to understand the interlocking interests of all, and fix upon some real, intelligent aim for our civilization.

I turn now to deal specifically with our political activities, since they were the centre of the attack by the Minister of Railways. It is only reasonable that a group organized for the purpose of discharging the full duties of citizenship should not neglect its political obligations. What standard of efficiency of citizenship can we expect from people who only mark a ballot once in four years and leave the rest to somebody else? We do not regard that as being a very high ideal of democratic citizenship. But apart from the duty, and apart from the logical course we would have followed anyway, we were forced into this political action by the conditions of the party system. I refer here to the historic sketch given by the hon. member for Southeast Grey (Miss Macphail). The facts which she placed before the house on that subject cannot be gainsaid. Suffice it to say that if the party system had had sufficient virility, had had that resiliency or elasticity which belongs to life so that it could have accommodated itself to the changes which over a centruy of industrial development forced upon the country, the story of our movement might have been a very different one. And so if the party system never did any good thing but this one it has served Canada by forcing economic groups into this parliament.

We are opposed, Mr. Speaker, to the party system. We not only do not wish to play

the game; we wish to change the game. I will state briefly why we oppose the party system. We oppose it, first, because of its failure, as I have just indicated, to adapt itself to a new set of conditions which were not apparent at its inception. I must not stop to develop that thought, but I will give an illustration to make my point clear. I want hon. members to think of a farmer who went out to homestead with a team of old grey mares and a set of double harness. After a few years he found himself with four other horses, but he still has the old set of double harness and no new harness for the new horses. So he just lets the four run around to do as they like while he goes ahead ploughing with the two. That is what we are doing in a parliamentary way, but we are not as handy as the farmer: We hitch our horses up tail to tail; he hitches his so that they both pull the same way. To continue the simile, we started with two old nags, and we still have the old set of double harness, which your honour calls "procedure" and other nice terms. But to-day we find we have a number of other horses—some may call them mules—and yet we have only the old set of double harness, with the result that these other horses run free without a fraction of responsibility. I realize that it is easy for any member of the government to tell us we have not any responsibility when we suggest certain legislation. But that is not our fault; we are not shirking it; we are denied it; and yet we are sent here with the same authority that the hon. ministers on the treasury benches enjoy.

We oppose the party system because so far as we can gather its chief aim is to gain power. We regard power as of such infinite importance that no government or group or party has a right to monopolize it; it is dangerous to place it in their hands, no matter how good they may be.

We oppose the party system because the conflict necessary to gain power is disrupting and inimical to the best interests of the state. We oppose the party system because that very conflict is undermining the confidence of the Canadian people in all government whatsoever, and undermining it to the extent that it is paving the way for a bloody revolution as the only means of redress.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: My hon. friends opposite must accept their share of responsibility for that, and before I am through I think they will be glad to do it silently. The party in power put itself in that position, first of all, by an open disregard of the pledges upon which it secured the support of the people.

Think of the clear statements which party leaders make in respect to each other during elections. Last election and the one before what happened? The leader of the one party went out and told the people of Canada that the policy of the other party was rotten, that its leaders were lacking in integrity and that it was unsafe to entrust the affairs of Canada to that party. The other party leader went out and said the same thing. Now, sir, when the Conservative leader speaks the Conservatives believe him; when the Liberal leader speaks the Liberals believe him. I believe them both. Here are the horns of the dilemma. What these hon. gentlemen say at elections times is either true or not true. If it is true—and they are both truthful gentlemen; I am not referring to the present leader of the opposition, for he has not yet had a chance, I am referring to the former leader of the opposition and the one before that—if what those hon. gentlemen have said is true, then Canada is in a very bad way. And if what the party leaders said of each other is not true, Canada is in a worse way. There is the position in which you have placed intelligent people. It cannot be denied that party propaganda is laying foundations for a bloody revolution, and while party spokesmen charge that to the bolsheviks, I place the responsibility on your own doorstep. You are the men who are developing the revolutionary spirit in this country, if, indeed, there is such a spirit developing.

Now, let me turn to a positive statement of our political principles. First I lay down a political principle which I do not think any hon. gentleman will challenge for one moment. It is this, that the economic interests form the dominating power in political policy anywhere, any time. In this regard let me give the origin of the two parties whose members are now listening to me. The party to my right was a group organization, an economic group. And what was that group? It was the landlords of England struggling to regain some of the influence lost at the collapse of feudalism who organized a political party called the Tory party to look after their interests in the House of Commons. Those who might perhaps disagree with that statement I refer to a very definite declaration by Trevelyan in his History of the Nineteenth Century. Referring to 1689, he says: "Power was left in the hands of the landed aristocracy, with the municipal oligarchies as its congenial instruments." Shortly after the industrial revolution the rising manufacturing and merchant classes found that they required representatives in the House of Commons, and they organized the

Whig party—a group organization. Now you say, "If that is so, why do you object to them?" That is a very fair question. I will tell you why I object. Because after a century of development with interlocking directorates we find that these two groups came together; but when they merged they did not destroy the two old parties, for they discovered they could handle these parties splendidly for their own interests; in other words, they would not put all the eggs in one basket, but a few eggs in each basket. When one party succeeded the other in office the people thought that they had a real change of government, but they had not, because the invisible power controlled both parties. I instance this budget, the last budget, the budget before that, and all the budgets for the past sixty years as the outstanding proof of that statement, that both parties seem to be controlled either by a masterly influence in that regard, or else this tariff business is a really good policy. This latter the Liberal party denies, but it must be one or the other. I will leave them to answer which of the two it is.

Next, we believe that if this principle I have laid down is sound, then the only true national policy that can be hammered out on the anvil of any parliament must come from the direct representatives of all the economic interests of the state, and not by some single group.

Then we believe in making practical the theory of democratic control which is preached by both parties. As a group we do this because we are a workable unit. The party system is not a workable unit. It is too unwieldy, even if it were a stable organization the people lose control of it because of its very size. At this point I would quote what Warbasse has to say in Co-operative Democracy:

> The function of a democracy is to protect itself from the wise men who would save it, the fools that would destroy it, the politicians that would betray it; and retain to itself the right of working out its own salvation.

We finance our political movement, and thus control our policy and our members. I claim no particular morality for our method, and I admit it frankly, there is no more morality in it than in the methods of hon. gentlemen opposite. But I am speaking of a different type of organization, and I owe my allegiance to the farmers movement just as hon. gentlemen opposite owe theirs to a party system.

Now, the application of scientific principles to practical government is another thing which we would seek to establish. I cannot go into the details of that, but I should like to tell the house that the hon. member for Macleod (Mr. Coote) will deal with this subject, perhaps to-morrow or the day following, and I invite hon. members to see what suggestions he has to make in that regard.

As regards the application of this economic principle in practical government, perhaps I might give another illustration to support my argument. Let us suppose two chemists in Ottawa studying the contents of a bottle filled with a particular compound—

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: Not the kind of stuff you are thinking about. They begin arguing about the actual elements in this compound, and what the result would be if it were applied to the hair of someone's head. One chemist, we shall assume, says the compound is such and such and if you apply it to the head it will remove all the hair; the other chemist says the compound is something very different, and he believes the application of it would cause two hairs to grow where one grew before. And so they argue the point for sixty years; the bottle is still there; and while men's hairs have come and hairs have gone no one knows what the result would be if this remedy were tried. Would anyone dream of calling such men scientists? Yet right in this house we have a state of things similar to this. One of our great political chemists says that the fiscal compound over which the two parties in this country have been arguing for so long will cause prosperity to grow where there was no prosperity before in Canada; the other political chemist affirms the very opposite. Thus they have argued for the past sixty years. But what would genuine chemists do in a case such as I have suggested? They would retire to the laboratory, analyze the compound, element after element, tagging each, and they would put an end to vain argument. Then having arrived at what they considered a sound conclusion, they would look for a dog on which to try this compound; they would make an experiment to see whether the compound would take the hair off the dog or put more hair on it. And so in politics. For sixty years we have argued the question, and there is not a man, woman or child from Halifax to Vancouver who knows what would happen if the tariff policies of the two parties were fully applied. If given a hundred years in which to argue the matter I venture to say that, by this static method, we should be no wiser at the end of that time than we are now. I suggest to my hon. friends that they look for a political dog on which to try their theory to see whether it will work. Let us

get down to something decisive and stop arguing, because the argument which has been going on for the last sixty years is certainly not creative; it is not getting us anywhere at all.

I come to the last principle I wish to discuss, the principle of cooperation. We stand for the instituting of cooperation for justice as a substitute for the present party conflict for power. I cannot stop to develop this point because I have something more to say directly to the minister anent his remarks. What I said of cooperation in general a few moments ago will apply in particular to political action. I turn my attention now more directly to the Minister of Railways, taking the order in which he presented his remarks to the house.

In the first place he says that group government is a bad thing because there are groups in Europe. I think the minister went far enough in that connection; indeed he might have been called to order when he termed the leader of the government of Italy a dictator and suggested that other governments in the European countries were not very efficient. I am not, of course, interested in safeguarding the reputation of Mr. Mussolini, nor am I especially interested in any of the governments of Europe. Nevertheless, it seems to me that the minister was not very discreet, to say the least, in his implication. Apart from this, however, the groups of Europe are not analagous to the group I have been discussing to-night; the European groups are hopelessly tied up with the old party idea, just as my hon. friends opposite are. The reason we have trouble in this house is that the government will not recognize we are here. And we are here. One of the first characteristics of a scientific attitude of mind is that it recognizes a fact when it exists, and the existence of this group in this house is an outstanding fact which hon. gentlemen opposite have not yet recognized. That is why the minister has had to roll logs, although I admit that the government has not had any heavy rolling to do this year.

Coming to Europe, let me say that the minister might have found far better examples of the group system if he had been acquainted with the history of the country from which he came. If he is acquainted with that history, as probably he is, then he failed to take note of the groups in the old land. I would refer him to the little group called the Council of London, designated as a group of shopkeepers, who defied both king and parliament and laid the basis of that most popular if nebulous idea of British justice and freedom. I would point to the group that brought a little order out of chaos in the days of Peel; I would point to the Irish group in the House of Commons; I would point to the Labour group in the British parliament—all splendid illustrations which the hon. gentleman might have found had he wanted to look for real examples. But he chose to take Europe because he thinks our people are afraid of Europe. Let me say on behalf of Europe, however, that the governments of France, Germany, Italy and Spain are just as clean, just as democratic and just as efficient as the government of which my hon. friend who spoke is a member.

Let me turn to another point. The hon. gentleman said, "If we allow these economic groups to develop, bless your heart, we do not know where it will end, because we may have a religious group." He was afraid that there might be a Catholic group or a Presbyterian group or a Methodist group. He forgets that the Methodist church is no longer in existence in Canada. However, may I point out to him that there have been religious groups in all parties, and I am not denying them the right to exist. The clergy of England had a very great deal to do with organizing the party of which my hon. friend is a member—and with the other party as well. I understand also that one of the most potent religious groups in Canada is represented at this moment in my hon. friend's party, and if he considers that group inimical to the best interests of the country I challenge him to throw it out of his party and see what will happen.

Mr. POWER: What group is that—the Orangemen?

Mr. IRVINE: I am glad my hon. friend asks that question because I can tell him that there is a religious group in the other party on this side of the house. And these two religious groups have been on the top of every political fight in this country for years. I say, therefore, to the minister that he is not going to hang any religious groups around the neck of the economic group of this country; those religious groups belong to the party system if they belong to any. Let me remind him that our group is not on the defensive; the party system is. The minister therefore will have to do a lot more defending before he goes much further.

And now I come to the last charge; the minister declares that the group system will lead to log-rolling. This is a term from the lexicon of partyism which I confess I do not understand; I do not know what it means. One hon. gentleman suggested to me that it meant, "If you will scratch my back I

will scratch yours." If that is its meaning, I am sure the skin must be off my hon. friend's back by this time. As I say, I do not know what log-rolling means, as used by the minister; but if it means anything bad, evidently he knows what it is, and he does not like it. If the term has reference to the groups in this house, then I will tell him again that it has been necessary for him to practise the art of log-rolling only because the party system has refused to recognize any other method of dealing with honourable men who come here and try to serve the interests of the country as a whole.

Let me conclude by saying this: While I do not expect hon. gentlemen on either side of the house to agree with all I have said to-night, I hope they will go so far as to admit that there is something fundamentally wrong with the system we are practising in this house at the present time, and that if possible they will get together long enough to shade off the most pernicious phases of the party system and give us a chance to work together for Canada. I want to see some great economic principle around which we may all rally in the spirit of co-operation, a principle that will permit us to breathe the spirit of patriotism, a principle that will hold us all by some common appeal, and not this eternal wrangling over nothing and getting nowhere.

Mr. LESLIE G. BELL (St. Antoine): Mr. Speaker, I always enjoy listening to the splendid oratory of the hon. member for Wetaskiwin (Mr. Irvine); at least we will all agree that he is an able advocate of the group system of government. But unfortunately he reminds me also of a great orator whom I heard advocating a third party system of government while I was a student at college in Michigan. I do not know what became of the group he was advocating, but I do know that the two great party system in the United States of America, still exists.

The budget debate is the time when we take stock of the affairs of our country. Hon. members opposite have given this house and the country the impression that we are on the crest of a great wave of prosperity, and it is noteworthy that all speeches made by those hon. members have laid strees on the word "prosperity". The Liberal party have sought to broadcast the fact that the policies they inaugurated are meeting with the favourable endorsation of all classes in this country, and we on this side of the house have been chided about the use of the word "protection". I mention this, for fear my hon. friends on the government benches may think our party are trying to get away from the word, "protection", used in its proper sense, but nothing is further from our thoughts. We have been criticized for speaking in any other way than that of boosting the present condition of affairs; members who have ventured even a mild criticism have been chastised by hon. members opposite; we have been accused of being responsible for the migration of hundreds of thousands of Canadians to that great neighbouring country to our south, all because of our criticisms of the present inefficient government, and our belief that the country is not prosperous. We are led to believe that the problems facing the country have been solved at last and that a sure remedy has been found in the free trade-low tariff policy inaugurated by hon. members opposite. We have heard some startling revelations concerning our wonderful financial outlook; we have been told that prosperity is no longer around the corner but that at last she has made her smiling presence known, and our native sons, daughters, and relatives are returning to have a share in that prosperity. The Minister of Finance (Mr. Robb), if not aware of the fact and even though his usual modesty forbids his acknowledging it, must surely consider himself the saviour of his country after the flattering remarks concerning him and which hon. members of the government have showered upon him. The Minister of Railways and Canals (Mr. Dunning) finds Saskatchewan farmers literally rolling in wealth; the Minister of Trade and Commerce (Mr. Malcolm) also sees the golden vision but reluctantly, out of one eye, he also sees a little unemployment, which he calls "seasonal unemployment". The Prime Minister (Mr. Mackenzie King) as Minister of External Affairs, proposes to spend the savings of the budget in Tokyo and Paris, while the Minister of Public Works (Mr. Elliott) stands with the bag wide open ready to accept what remains, to spend it recklessly in public works and other institutions throughout the country, not always in keeping, as we know, with the country's needs.

Accepting the statement of the Minister of Finance in the budget as correct, that our prosperity is definitely assured, I would not hesitate to congratulate the Minister of Finance and the government on such an achievement were it not for the fact that certain figures puzzle my admittedly limited capacity in financial matters. I regret that I cannot see my way clear to join in the voluminous though rather discordant chorus of national prosperity. For instance, I find that although we have heard a good deal of

boasting about the foreign trade of Canada the total imports and exports for the fiscal year 1927 amount to only $2,298,465,647, whereas for the last two years of the Conservative regime the figures were $2,351,186,832 in 1920 and $2,351,187,332 in 1921, or an increase in both these years of about $52,000,000. Again, if my hon. friends opposite would compare the figures relating to foreign trade for the last six years of Conservative government with the past six years of Liberal government they will find that our total exports from 1916 to 1921 inclusive amounted to $7,310,533,075, while from 1922 to 1927 inclusive the figure is $6,435,621,059. Our total imports for 1916 to 1921 inclusive amounted to $5,542,583,300, while for 1922 to 1927 inclusive they amounted to $5,198,804,217. In other words, during the last six years of Conservative rule our favourable balance of exports over imports amount to $1,867,949,775, while under Liberal rule for the last six years the balance was $1,236,816,842, or a matter of $631,132,933 of a more favourable trade balance under the Conservative regime than under Liberal rule. If we look to the net debt of our country we find another strange thing; we see that when the Conservatives went out of power in 1921 the net debt of Canada amounted to only $2,340,878,984, while by the end of 1927 we find the net debt increased by some $7,000,000, the exact figure of the net national debt being $2,347,834,370. The Minister of Finance has sedulously overlooked the fact that the net debt of the country under the Liberal rule, from the time the Conservatives left power, was increased to the maximum amount of $2,453,776,869 in 1923. The debt was increased by $112,897,885 before they started to reduce it, and yet the one outstanding feature of the budget is the boast of the present government that they are reducing the net debt of the country. Furthermore, it must be borne in mind that this present government have collected from the taxpayers of Canada over a billion dollars in war tax revenue alone and as yet they have not succeeded in reducing the net debt of the country by a single dollar, as I have already pointed out.

Then let us consider the tax reductions outlined in the budget. Hon. members of the government point with some pride to the recent reduction in the sales tax; so let us consider that for a moment. A war time government, Conservative or Union as you will, inaugurated a sales tax of one per cent in 1920, increasing it in 1921 to 3 per cent on certain articles. Like most other war governments they were turned out of office after they had made a good job of their herculean task, and their successors, the present Liberal government, upon assuming office immediately told the people with a smile that they were increasing the sales tax to 6 per cent. This was in 1922. The people accepted this ultimatum; they had no other choice. In the presentation of the 1923 budget, the rate of the sales tax was adjusted to a uniform 6 per cent, with certain exemptions on raw furs, drain tiles for agricultural purposes, and other articles. In 1924 there was a reduction in the sales tax from 6 per cent to 5 per cent, with certain exemptions on text books and certain articles of production. In 1925 more exemptions were added to the list but there were no reductions in the rates. These exemptions included vegetable plants, shoe lasts, and patterns, dies for boots and shoes, fishing boat engines and well-digging machinery. In 1926 there was no reduction in the sales tax. The reductions in that year in income tax were supposed to be most gratifying to the public, and accordingly there were no reductions. In the present budget the sales tax is reduced another 25 per cent, bringing it down to the rate that prevailed when the present government assumed office in 1921. And yet hon. gentlemen opposite tell us that this government is reducing the sales tax, while we on this side are supposed to accept the statement without question.

I have reviewed the reductions which were made in the sales tax from the year 1922 to the present year 1928 and the facts speak for themselves; the present sales tax rate is the same rate as prevailed when they assumed office. On the other hand the Liberal administration meanwhile has been taking a great deal of money, some hundreds of thousands of dollars in fact, from the people every year through this unjustifiable increase of sales tax and burdening the Canadian consumer, with this extra taxation.

Now, looking to the general conditions which prevail in this country, and the claim which is made with respect to prosperity, I would refer hon. gentlemen opposite to the commercial failures which have taken place in Canada during the present government's term of office. When one considers these figures he is astounded. The high water mark for commercial failures took place when this government assumed office. There were 3,925 commercial failures in 1922, the first year the Liberal government took office, whereas in the previous year, 1921, there were only 1,739. The wave of prosperity which has inundated this country during the Liberal administration of six years has drowned some 15,248 branches of business, compared with 7,939 during the last six years of the Conservative regime from

1916 to 1921 inclusive. In 1924 more manufacturers went out of business and double the number of traders succumbed to the great Liberal wave of prosperity ushered in by them in 1922, than under the previous six years of the Conservative administration.

If hon. gentlemen opposite want exact information as to whether business depression or confidence prevails in this country, they should look to the Canada Year Book for 1926. There they will find during every one of the years from 1916 to 1921 inclusive under the heading of "business confidence" the business conducted truly expressed the confidence of the Canadian people. On the other hand if they will look at the succeeding years from 1922 to 1926 inclusive, the latter being the last year given, they will find that business was indicated as being in a depressed state. Only in the year 1926 do we find this is not a fact. This may not appear to hon. gentlemen opposite as a very good barometer for indicating whether or not the country is prosperous at present, but to my mind and sense of reason, when 1827 commercial enterprises covering trade, manufacture, agriculture, logging and fishing, mining, construction, transportation and finance go to the wall, to use the language of the street, a number greater by hundreds than occurred during the previous Conservative regime, and bearing in mind also that there were less in number to go under each year, business conditions at present are not good. However, Providence has been kind to the present government during its term of office. During each year there has been an addition of from 100 to 175 million bushels to the wheat crop. The greatest oat crop in the history of Canada was witnessed in 1922. Likewise, barley had its greatest crop in 1924, and there was the greatest crop of rye in 1922. The enormous amounts realized from these bumper crops should have helped the government a great deal in making business conditions better—and yet, they are worse.

Let us come now to what the government has done for the workingmen of this country. When the present government assumed office it promised that it would do a great deal for the workingmen of Canada. Hon. gentlemen opposite chide us about being the rich man's party. We pride ourselves, however, that we are as strongly for the workingman as we are for the manufacturer or any other class of the community. Four questions naturally arise in discussing what this government has done for the workingmen of Canada. They are these: First, has the present government during its term of office reduced the cost of living? Has it relieved unemployment? Has it raised the workingman's wages? Has it improved the position of the family circle of the working man during its regime? Hon. gentlemen opposite throughout the country at the beginning of an election campaign always claimed that they were going to reduce the cost of living to the workingman, and it was on the strength of this promise that they received the votes of a great many workingmen. Now let us look at the facts. At the outset, let us again recall, the Liberal Government came into power at the beginning of 1922. I have in my hand the last copy of the Labour Gazette of February 28. I have the budget for a family of five covering the staple foods and the average prices in sixty cities in Canada. Let us compare the figures in 1921, or the beginning of January, 1922, with the prices of foodstuffs in January, 1928: Two pounds of sirloin beef in January, 1922, cost the workingman 54.6 cents. In January, 1928, the cost to the workingman was 62.8 cents. Shoulder beef likewise has risen in price from 30.4 to 36.4. There has been a corresponding increase in veal. So it is all down the list. Lard is dearer, cheese, bread, flour, rolled oats, tea and coffee. Pork and eggs are the only things that are cheaper. I assume that eggs are cheaper because of the importation of eggs from foreign countries, such as China. The total cost per week for a family of five under the present Liberal government is $11.19 compared with the cost when the Conservatives left office of $11.03, so that this government has not succeeded in reducing the cost of living for the workingman. These figures given in the Labour Gazette do not include the cost of clothing, recreation, doctor's or dentist's bills, school fees, or contributions for church purposes.

I might as well, at this very moment, although I intended to do so later on, when dealing with unemployment, refer to the serious conditions that the workingman to-day finds himself trying to meet, in this so-called period of prosperity which our hon. friends opposite would lead us to believe is here. How can the workingman believe in prosperity when he is working to-day, on half pay, in many cases, with many months of unemployment and a family to support, and when very few, if any, workingmen can live on this suppositious budget

Nor has the present government raised the workingman's wages. In 1921, the last year of the Conservative regime, the index number giving the average wages for six trades was 186.1. In 1920 it was 192.1. Under the Liberal regime the workingman's wages have

declined until the index number has now gravitated to 175.9. The index numbers in regard to other lines of employment are as follows:

	1921 Index No.	1926 Index No.
Common factory labour.. ..	190.6	187.3
Miscellaneous factory trades..	202.1	196.7
Lumbering wages..	202.7	180.8

In 1920, wages in miscellaneous factory trades were at their peak, 216.8 and so were lumbering wages, 202.7. Wages of railwaymen are to-day lower than they were in 1921, and wages of the coal miners of Nova Scotia, Alberta and Vancouver island have also dropped considerably. Coal mining labourers underground are to-day receiving from 55 cents to $2.64 less per day's work; millers are receiving $10 per week less in the flour mills, and all hands employed in furniture factories are reciving less per day's or per hour's work as compared with 1921. In the city of Montreal blacksmiths, machinists, iron moulders and sheet metal workers are to-day receiving lower wages than in 1921. That is the condition of the workingman as regards his wages under this prosperity regime of the present government.

Has the present government relieved unemployment? The present position of unemployment throughout the Dominion is summarized in the February 1928 issue of the Labour Gazette and I am going to read these extracts for the purpose of having them on record. On page 187 of the February issue of the Labour Gazette I find this statement:

> The most noticeable recessions occurred among Vancouver workmen, 10.7 per cent of whom were idle in November as compared with 14.3 per cent in December, a change of 3.6 per cent, followed by percentage increases in idleness of 2.9 in St. John, 2.7 in both Edmonton and Halifax, 2.4 in Toronto, 2.1 in Winnipeg, 1.7 in Regina, and 1.1 in Montreal. Toronto was the only city to record a slight increase in employment over December, 1926, while in all other cities an adverse situation prevailed.

The same Labour Gazette further reports the situation by provinces as follows:

> Nova Scotia
>
> During the month of December, 1927, positions offered through employment offices in Nova Scotia were 12 per cent less than in the preceding month and nearly 18 per cent less than during the corresponding month of 1926. Placements declined nearly 10 per cent in comparison with November and 15 per cent when compared with December, 1926.
>
> New Brunswick
>
> There was a decline of over 20 per cent in the number of positions offered through employment offices in New Brunswick during December when compared with the preceding month, and of 25 per cent in comparison with the corresponding month of 1926. Placements were over 5 per cent less than in November and 16 per cent below December, 1926.
>
> Quebec
>
> The demand for workers as indicated by orders listed at employment offices in the province of Quebec during the month of December declined nearly 50 per cent when compared with the preceding month and nearly 12 per cent in comparison with the corresponding month of 1926. Placements were nearly 41 per cent less than in November and over 8 per cent in excess of December, 1926.
>
> Ontario
>
> During December employment offices in Ontario received orders for nearly 15 per cent less workers than in the preceding month and also in the corresponding month of 1926. There was a decline of nearly 10 per cent in placements when compared with November and over 13 per cent in comparison with December, 1926.

In Manitoba, Saskatchewan, Alberta and British Columbia there are similar reports as to present conditions in connection with unemployment. The Dominion Bureau of Statistics tabulated returns from 6,177 firms showing a decrease in the payrolls from 886,836 persons on December 1, 1927, to 826,736 persons on January 1, 1928, or a decrease of 60,100, or 6.8 per cent. While we are talking about prosperity during the budget debate, this table shows the increase in the number of men unemployed in January of this year as compared with the previous month of December:

	More men unemployed in January than in December
Maritime provinces..	1,452
Quebec..	24,672
Ontario..	23,896
Prairie provinces..	3,178
British Columbia..	7,102

As regards the city of Montreal I quote from the Montreal Gazette of February 21, as follows:

> Unemployment relief is among the most serious problems which the Financial Federation of the Montreal Council of Social Agencies has to face.
>
> At the sixth annual meeting the secretary revealed a deficit of $3,000 for the year 1927 over and above the $6,000 appropriated. In 1928, $6,000 was again appropriated for unemployment relief and after two months have passed, over $4,000 had been expended. The deficit this year will be much greater.

The Minister of Railways and Canals spoke of prosperity and I presume he referred to his own province of Saskatchewan. I read from the Montreal Gazette of March 2, 1928, a portion of a report of the Saskatchewan Farmers' Convention held at Saskatoon on the first of March, as follows:

George F. Edwards, director of the organization's research department, had this to say:

"From statements made by city officials and those that are responsible for distributing relief throughout this province there is no doubt that the rigorous immigration policy engaged in by the Federal government and transportation companies last year has been the cause of a tremendous amount of suffering and hardships to thousands who were brought to Canada through highly-coloured statements and representations."

As regards the unemployment situation in Montreal, let me refer to the Meurling Refuge. I find that the number of men cared for in that institution in January, 1928, was 17,218 as compared with 9,193 in January, 1927. The Meurling Refuge is a very fine building maintained by the city of Montreal for homeless, destitute men; how homeless and destitute they are can best be gathered when it is realized that these men go in at 6 p.m. and are given two slices of bread and a cup of coffee. They then have to undress and turn in their clothes to be fumigated, after which they line up and pass in to the shower baths. As each man enters, a man ladles out some soft soap which he slaps on the heads of the destitute men and they stay under the shower until the soap has dissolved. They are then handed a towel, after which they are given a night shirt and retire to their beds, from which they are aroused at an early hour, given two more pieces of bread and a cup of coffee and turned out into the streets for another day. The place is well conducted and is considered by many to be the best thing of its kind on the continent, but it will be understood that no man goes there if he can find any possible method of avoiding it.

Nevertheless, an average of 600 men a night made use of the city of Montreal's refuge at a time when the government index figures for employment were the highest on record for the month of January. These figures illustrate better than anything else that the government's fiscal policy is failing to provide for our population. There can be no true prosperity under conditions where over 17,000 free beds for destitute men have to be provided in one place alone.

In another office, on St. James street, Montreal, crowds of ex-soldiers can be seen daily asking for charity provided through a "tag day," and in another, about a stone's throw away, nearly 400 families have received unemployment relief. In Ottawa, right at the door of parliament, the charitable societies are overburdened with the demands upon them for relief by families in distress through unemployment. In Winnipeg the distress has been so intense that the government has been asked to contribute to relief work, a request which the Prime Minister has refused.

It is not my intention, Mr. Speaker, in speaking of the unemployment situation, in any way to advertise Canada adversely. I think that what is responsible for the number of unemployed at the present time is the policy which this government has persisted in of not allowing Canadian workmen the opportunity to work in Canadian factories, working up Canadian goods, so that Canadian men and Canadian women, wherever they are situated, may buy Canadian goods made by Canadian workmen at home. I hope it will never be the fate of the Conservative party, because it would also be the fate of a great country, to give way to the demands of any party group or of any section and do away with protection. We look across that boundary of 3,000 miles and see over there a country with a population of 120 millions, a country that is applying a quota law in order to prevent immigrants coming in there and enjoying the fruits of prosperity in that country, and yet Canada under the present Liberal government with its low tariff or free trade policy, or whatever you like to call it, cannot induce immigrants to come to this country even from our own British dominions without paying their transportation charges and practically holding out positions for them when they arrive. What is wrong with this government? What is wrong with Canada? There is nothing wrong with Canada. The trouble is with the fiscal policy of this government, and until that has been remedied, conditions in this country will be no better. What is the use of talking about reducing the war debt, or reducing the national debt of this country? This government is accomplishing neither, and at the same time we are losing every day and almost every hour our own stalwart sons and daughters to a foreign land, from which possibly they will never return. Is there any way in which we can remedy these conditions?

An hon. MEMBER: Change the government.

Mr. BELL (St. Antoine): Change the government—that seems to be the only way. One would think that the people of the west, whether they belong to the farmers' group or any other group, would realize that until they plant the factory beside the farm there never will be prosperity in this country. I do not know what the farmers want from the Conservative party. The Conservative party have always tried to please the farmers so far

as is humanly possible. Railways have been built under the Conservative regime, although our friends opposite would try to make every one believe that they are the only ones who are building all the railroads in the country. The farmers of the west have got the best wheat lands in the world, and they have re-received them at the cheapest price. We cannot move the wheat lands closer to the ocean or afford to give them much better transportation facilities, and until there is cooperation between the farmer and the manufacturer, and particularly between the farmer and the labouring men in the factories, there is always going to be trouble in solving the problems of this country.

It amuses me sometimes to hear my hon. friends to my left talk about the consumers and producers in this country. To hear them talk you would think that the farmers were the only consumers. But in what way can the farmer compare as a consumer with the workingman in the factory in our big manufacturing cities? These workingmen are the real consumers. They take the products produced by the farmer, the butter, the cheese, the eggs, and all his other products, and they are willing to pay his price provided they have the money in their pockets with which to buy them. When hon. gentlemen to my left speak of poverty and about the farmers being up against it, let me tell them that I could take them to my own constituency in Montreal and show them conditions which no farmer in western Canada or in eastern Canada has ever experienced. I could show them the condition of families who have not 160 acres of land to live on, who have not their own house over their heads, and worse still, who have not even enough to pay one day's rent. I could show them children and whole families living almost wholly on bread without butter; and yet we hear so much from the Progressives to my left of the conditions under which the farmers of this country are living, as if they were the only ones that legislation should provide for. I am the last to advocate the group system of government but if any class requires remedial legislation the first who should have asked for it and received it is the labouring class, who have not experienced under the Liberal government this prosperity which hon. members opposite are trying to demonstrate. Unfortunately the unemployment situation and the conditions of the workingmen avail them nothing under the present government's policy, and there are no indications that for them, prosperity is here.

[Mr. L. G. Bell.]

Mr. J. L. BROWN (Lisgar): I shall not take time to follow at any length the hon. gentleman who has just sat down (Mr. Bell). His concluding remarks, however, indicate that he is badly in need of information in regard to the condition and position of the farmers of this country. He asks, in what respect does the farmer as a consumer differ from the labouring man? He seems to have no conception of the fact that the farmer who is operating a well equipped farm has spent many thousands of dollars upon equipment and expensive material which the labouring man in the city knows nothing of.

An hon. MEMBER: And has not the money to buy.

Mr. BROWN: In reply to the hon. member, I say that the farmer has spent that money; he has not been able to keep it.

I want to refer to an incident that took place in the house this afternoon. The hon. member for North Simcoe (Mr. Boys) produced a couple of hammers. I do not know why he bought them in the first place, and I do not know why he produced them in the house. Let me say that in my judgment I do not think he got the worth of his money when he bought them, certainly not so far as regards the effect that he produced in this house. It seemed to me it fell rather flat. If the hon. member proved anything he simply proved that Mr. Drury was an honest man, who, when he found that the evidence he had in his hand did not support the contentions he was making, refused to use that evidence any further. But the fact that Mr. Drury did not have the evidence at his command is no reason to suppose that his contention was not correct. It would be quite possible to produce evidence in abundance to support the contention which I believe Mr. Drury was making. Indeed on one occasion I travelled down from the west in company with a commercial traveller who was well versed in the hardware business and well acquainted with the sale of tools on both sides of the line. He gave me very clear evidence of the great difference that prevails in regard to the price of tools on different sides of the line. I myself for a number of years lived in close proximity to the border, and if there is one class of goods on which there is a large difference between the price in the United States and that in Canada it is small hardware, a sample of which the hon. member produced this afternoon. If you want evidence of that fact all you have to do is to go to Woolworth's stores in this city and you will find they are called, five, ten and fifteen cent stores. I think I am

probably correct in saying that there is scarcely an article in their stores that is sold for fifteen cents that is not sold in the Woolworth stores on the other side for ten cents. That may seem to be a small thing in itself, but remember it is a difference of fifty per cent. Perhaps some of us will remember an incident in this house some years ago when an hon. member produced a teapot in a very dramatic manner, and for many years afterwards he was known as "teapot Blain." I imagine that the hon. member for North Simcoe will in the future be known as "hammer Boys."

The hon. member also dealt with binder twine. I do not know in whose behalf he was speaking, but I would suggest that he also is in need of further light upon the subject. We have sometimes heard it stated in this house that the truth has been told, but not the whole truth. I do not propose to question the accuracy of the figures submitted by the hon. member, but I do assert that he did not tell us the whole truth; for in his analysis of the problem he omitted one of the most important factors. When he undertook to establish certain facts in regard to the prices of binder twine in former years and to-day, he omitted one of the most essential factors—the price of the raw material. Oh, I have heard the argument before. My opponent in the last election used it in my hearing on one occasion, but it does not make much impression in the west. He used the argument that has been advanced here to-day, that at a certain time there were so many binder twine factories in Canada that binder twine was put upon the free list, and now we have fewer factories and we are paying a higher price than we did then. It is the old fallacy we have to combat—post hoc, propter hoc; a certain thing has happened, and then when another thing happens it is the result of the first. We meet that fallacy again and again from the other side of the house, but particularly was it in evidence to-day when the hon. member used it in regard to binder twine. True, the price of binder twine is higher to-day, and has been consistently higher during the last few years, than it was for a period of years before. But I say the hon. member failed to take into account a very important factor—the price of the raw material. If he wants to investigate the matter further he will find what is familiar to everybody who knows enough about the matter to discuss it in public, that the price of the raw material is controlled by a New York syndicate in conjunction with Central American governments, the latter controlling the raw supply. That may not in itself account for the entire increase in the price of binder twine, although to-day binder twine is very much cheaper than it was a few years ago, but not of course down to the price at which it was twenty years ago, perhaps. But that very factor will account in very large measure for the increase in price. It is true, of course, that the general scale of prices has been raised, and that the price of labour is also very much higher than it used to be, but in itself the control of the raw material accounts very largely for the increase in the price of binder twine. I shall not go into the matter further. The hon. member for Selkirk (Mr. Bancroft) my esteemed deskmate, has made a special study of this question and is in possession of information which will be very valuable to this house and which will refute some of the arguments advanced by the hon. member for North Simcoe.

I am sorry that the hon. member for Frontenac-Addington (Mr. Edwards) is not in his seat, because there are three things he hates more than everything else, first, the member for Labelle (Mr. Bourassa), secondly, the Minister of Immigration (Mr. Forke), and, third, the United Grain Growers. Well, I should like to tell him that the United Grain Growers Company is the controlling factor in the price of binder twine on the prairies to-day. It handles binder twine to the amount of nine million pounds yearly, and I think even the enemies of that company in the west will be willing to give credit to it for controlling the price of that very necessary article.

I do not propose to deal with the budget at any great length, Mr. Speaker. I do, however, want to refer to the income tax It was a matter of great regret to me when I heard it announced that the income tax was to be reduced. I have expressed myself on that matter in no uncertain terms in the past, and I have not seen fit to change my mind. I have never been able to work up any great feeling of indignation in regard to what is spoken of as the double tax. In many cases, perhaps not all, the corporation tax can easily be charged to overhead and passed on to the ultimate consumer, in which event there is no reason why the individual recipient of dividends from the company should not also be taxed. Nor have I any particular sympathy for the young unmarried man who has an exemption of $1,500, and further exemptions if he has dependents, who is required to pay income tax on the balance of his salary. And I cannot work up any particular sympathy for the married couple who have an exemption of $3,000 to $500 for every child under eighteen—

Mr. ROBB: Twenty-one this year.

Mr. BROWN: —under twenty-one if they also have to pay income tax on their additional income. Even in the case of men who are most easily reached, the salaried men—and we admit they are the most easily reached—I cannot think they are subjected to any particular hardship. If they have no children and are wasting their time on poodle dogs, there is no particular reason to regard them as objects of sympathy when they have an exemption of $3,000.

I am going to make a statement, Mr Speaker, that I think will probably put me in the class of heretics. We hear a great deal said about tax reduction. Honestly I do not think we can properly look forward to tax reduction, certainly not in the volume of taxation. I know our hon. friends across the way do not seem at times to be able to distinguish between volume and rate of taxation; at least they persistently confuse the two. I think it quite possible that the rate of taxation may be reduced in some cases with advantage to the revenue, but I do not think this country will ever be able to get along with any less revenue than it has today. I believe we shall require more and more revenue as the years go by. When the committee that is now discussing the pensions of returned men makes its report I am satisfied we shall realize we have only begun to touch the pensions problem. I am quite prepared to believe that as the years go by the amount required for soldiers' pensions will increase by very large proportions. I served on that committee the first session I was in parliament in 1922. It was an amazement to me to find that officers of the pension board, medical men, took the view they sometimes expressed in regard to attributability to service. It seems so perfectly evident to a layman that a man who endured the great stress of war must of necessity have suffered to some extent disability for life that I could not understand the position taken even by medical men. I believe there is a change in point of view; I believe it is coming to be recognized that many of these men, men who perhaps were not wounded, are largely to be classed as among the wastage of war. I have in mind one young man who, when I first knew him, was strong and vigorous, and who when he came back gave every appearance of being a physical wreck; yet he never had a scratch. In my opinion there are many men in the same condition. It seems to me, therefore, that when we come to consider the question of revenue in relation to pensions we shall find that this reduction of taxation is nothing more than a pious wish which we should like to have realized but which we shall find among the impossibilities.

I want now to refer to a suggestion which was made by the hon. member for Peace River (Mr. Kennedy) as to the possibility of forming an alliance with the Conservative party. Such things have not been unknown, Mr. Speaker, when two extreme bodies come together and remain together for a time. Yes, Mr. Speaker, from the time when the Herodians and the Pharisees conspired to destroy the founder of Christianity down to the present time we can find illustrations of extremists coming together to overcome the moderate-minded men. They unite for purposes of destruction, but I wonder whether it would be possible for them to unite for purposes of construction. Let me tell my hon. friends over there that nothing would give the Conservative party greater pleasure than to seduce them into taking the position enunciated by the hon. member for Peace River. It is the one thing I have persistently and consistently tried to warn our farmers against —the temptation to fall for the principle of protection. By and large, the farmer cannot be benefited by a protective tariff. The American farmers have found that out. They succumbed to the temptation to seek higher tariffs and they were under that delusion for years; but they have now begun to find out that it was a delusion—a snare and a delusion. They are therefore seeking relief in such uneconomic measures as the McNary-Haugen bill. I say, nothing would give the Conservative party greater satisfaction than that they should be able to seduce hon. members in the opposite corner into taking the course indicated. I have no doubt that some of them are willing to go. As the hon. member for Marquette (Mr. Glen) pointed out this afternoon, there were four of them who in the session of 1926, in the first vote cast in that parliament, gave evidence of a preference for the Conservative party. How many more of them may yet follow I do not know. But what about the lady? Surely they will not forsake the lady member. Her plebeian soul could not stand to be associated with the "snobbish" Conservatives. Surely they cannot forsake her; that would never do. I want Hansard to put that word "snobbish" in quotation marks; otherwise it might give offence to some good Conservatives back home who are my personal friends.

I want now to refer to another item in the tariff, an item upon which some hon. members in the southeast corner have made remarks; I refer to item 267b. Is it not a strange situation to see the hon. member for Rose-

town (Mr. Evans) and the hon. member for Peace River associated with the Imperial Oil Company in opposition to this particular item? Yet such is the case. But perhaps on second thought it is not so strange; perhaps this is the first step in the direction of that alliance which has been suggested. Who knows? I wish to quote in this connection the hon. member for Rosetown:

> Again, under item 167b I find a most amazing thing, the full import of which is not readily discerned. As far as I can see, the government has given notice to all small oil refining companies, and to those contemplating entering the business, to get out and stay out.

I will not quote the hon. member for Peace River in this regard; his remarks were made a day or two ago and they are somewhat lengthy. What he said was part of the general argument in relation to finished products and raw materials. But his position is there stated. Now what is the reason for this change? I have taken some trouble to look into the matter. I find that an application was made to the tariff board by a representative of one of the small oil companies to bring about the change. The situation, as I understand it, is something like this—I will try to give a picture of it. The large oil companies, with their expensive equipment and a good market for the by-products, are able to use the absolutely crude petroleum, while the smaller companies, without that equipment and with a more limited market for their by-products, cannot use such petroleum to advantage. The base of their operations lies in a product which has already passed through one process in refining, the technical term for which I believe is oil tops. This particular product has been coming in under a duty of three-tenths of one cent per gallon under the British preference, fourth-tenths of one cent under the intermediate tariff, and a half cent under the general. I am informed that in the actual application of the Customs Act they have been paying the same duty as on the finished product, so that instead of this being what the hon. member has depicted it, a notice to the small oil companies to "get out and stay out." It is absolutely the reverse. Again, let me express the keen regret I feel at seeing the hon. member for Rosetown associated with the Imperial Oil Company, which I understand has put in a protest recently against this item.

Mr. BENNETT: Not against the item but against the wording.

Mr. BROWN: It is only an indication of the need for more complete information in regard to the many items in this budget, which information we shall no doubt receive when we are in committee. I am told that the analysis made by the hon. member for Peace River of some of the other items is no more accurate than in the case of this particular one, 267b.

Now just a word in regard to group government or the balance of power theory. These two terms may be synonymous or they may be antagonistic to each other; I do not pretend to know. However, I will discuss the question under the head of the balance of power theory. I am willing to pursue inquiry into the question how far independent members may be given freedom of expression as to when a government should consider itself defeated and when not. This theory of that balance of power seems illogical to me because it cannot be universally applied. It may be very well for one or two to occupy that position and sit on the fence, but everyone cannot do it; some people must assume responsibility. The theory is absurd; and I do not use that term in an offensive way but rather as Euclid used it when, in pursuing certain lines of reasoning, he arrived at a conclusion which did violence to the axioms he laid down. In such cases the conclusion was absurd, and I use the same term with reference to this particular theory. It is absurd because, in order to make it effective at all, it pre-supposes the existence of two major parties both of which are abhorrent to those who have adopted the theory. I do not want to use any such rough term as bludgeoning, but it does seem to me absurd to think this could be adopted as a permanent principle under which to carry on government, although it might meet a temporary situation. I call to mind a little rhyme we used to say when we were children, which went something like this:

> The lion and the unicorn,
> Fighting for the crown;
> Up jumped a little dog
> And knocked them all down.

Who represents the lion and who the unicorn I do not presume to say, but I do know who wishes to take the part of the little dog.

Our friends tell us that the session of 1926 was an ideal session, just what they wanted. Well, Mr. Speaker, I am not usually averse to a scrap, but I do not think either this house or the country would consider the session of 1926 to be ideal. It was not ideal to see hon. members opposite at that time; I can scarcely describe their condition. A lioness robbed of her whelps is not to be compared with the attitude of mind exhibited by hon. gentlemen opposite, and I even believe the hon. members with whom I was more intimately associated at that time will not say that the

conditions within our own ranks were so absolutely ideal that we would have liked to have them remain that way.

Miss MACPHAIL: They are now.

Mr. BROWN: And so are ours, for that matter. Now they tell us we had a splendid program of legislation that year. Did we? It is true that we had a perfectly honourable arrangement with regard to a legislative program, an arrangement that was well known to the country, and we advanced that legislation to certain stages but we did not get it through. What was the reason? Well, Mr. Speaker, it is well known that when we all voted with the government there was a majority of twelve; when the five members who expressed a Conservative preference in the first vote opposed the government that majority was reduced to two. In addition to that there were always one or two on the ragged edge, so when the test vote came on the amendment moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) to the amendment of the hon. member for Vancouver Centre (Mr. Stevens) to the customs report, what was the position? We lost two more votes.

I have no criticism to offer as against the hon. gentlemen who saw fit to take that position. They may have been right or wrong; I am willing to admit that it was a question in which great moral issues were involved, and I am willing to concede that it was a question on which men governed by a high standard of morality might have taken one or the other of two positions. I am quite willing to concede all that, but the fact remains that because these members took that postion we did not get the legislation we desired. But our friends say we got the legislation in 1927. That is true, but we had to run the gauntlet of a general election first, and you are never sure what the result of an election may be. If it had not been for the absolutely stupid tactics of our friends opposite from the time that session opened until it closed they might have been occupying seats on this side of the house and then what would have become of the legislation? I think it hardly safe to count on their following along the same lines. Of course hon. gentlemen opposite may be able to learn; they have reorganized their board of strategy and they may do better than they did before, but it is not a safe thing to bank on. So I say we did not get the legislation in that particular session, and I want to say also that if this much-reviled little group had taken the same position on the budget last year we would not have had the legislation yet; last session would have been as barren as the previous one.

Now, I am told that my time is going very rapidly.

An hon. MEMBER: Go on.

Mr. BROWN: That would be all very well, if I only could. However, I want to suggest to our friends that perhaps they have not looked into this problem in all its aspects. I know they have given a great deal of consideration to government in its legislative aspects, but I have never yet heard a single suggestion from those advocating group government as to how an executive is to be formed. Mr. Henry Wood has not told us, and from none of his followers have I heard how they propose to form an executive to carry on the functions of government. If they have any ideas on this phase of the question the general public have not been given the benefit of their deliberations. To quote the Ottawa Citizen, however, while the Liberal-Progressive may not be "the last word in political intelligence", at least they have given some thought to this problem. I came across a little book in the library the other day, from which I propose to read a few extracts. I do not say that I agree with this in every respect but it will at least be interesting to hon. members opposite. This little book is one of a series of Chronicles of Canada, dealing with the winning of popular government in Canada. It deals with the few years immediately following the rebellion of 1837, after Lord Durham had made out his report and Mr. Poulett Thomson, afterwards Lord Sydenham, was sent out to Canada to try to put into effect the principles which Lord Durham had recommended. He speaks of his visit to Lower Canada, where he found no government at all, and then he proceeded to Upper Canada, and at this point I quote:

> At Toronto Thomson found a totally different set of conditions. Here was a constitution functioning and a legislature in session; but what a legislature! Split into half a dozen little cliques and factions, it was trying to work with no cabinet, no opposition, no party system—an ideal state of things to which some critics of present conditions would like to return.

In the same connection I read another extract; an election was held, and the result was as follows:

> The results were known early in April. They were as follows: For the government, twenty-four members; French, twenty; Moderate Reformers, twenty; Ultra-Reformers, five; Compact party, five; doubtful, seven. The curse of petty faction was not lifted, nor the machinery of two-party government really installed, for it was quite possible for several of these groups to combine in voting down government measures without having sufficient cohesion among themselves to form a ministry and assume control.

Then we have another sentence further:

Mankind has a pathetic faith in the efficacy of political machinery, remade or remodelled, to grind out happiness and bring in the age of gold.

But in order to show that I hold the balance evenly, I am going to give another extract to which perhaps those charged with the responsibilities of government might give heed:

Parliamentary procedure, as they have it in England, was a new thing in Canada. In Great Britain the government does not always resign when defeated on a vote, nor does the opposition defeat the government when it has no power to form an alternative government.

One more quotation. I give this for the benefit of the hon. member for Vegreville (Mr. Luchkovich)—I am sorry he is not in his place. He delivered an address the other day which was well worth listening to. It is true it had the character or quality of an essay, but seeing that the hon. member's native tongue is not English, he is to be congratulated upon his facility of expression in the English language. The passage I am going to read is not pertinent to the subject under discussion, but I will read it for one reason:

Complete freedom to manage its own affairs should, if logic were strictly followed, separate the colony from the mother country; but the British genius for compromise has met the difficulty in a thoroughly British way by avoiding any precise and rigid definition of the relations existing between the mother country and the daughter state.

This is a little apart from the subject, but I have always felt that our greatest danger lies in attempts at too exact definition. I want to refer to what is spoken of here as "the British genius for compromise". The hon. member for Vegreville read us a lecture on compromise. There should be a distinction between compromise on moral grounds and compromise on questions which are, after all, matters of expediency. When moral issues are involved a man must say: Here I take my stand, I take none else. But the great majority of the questions that we have to consider do not come within that category. They are matters on which there may very well be an honest difference of opinion between men equally anxious to reach a solution of our problems. I have no hesitation in saying that the essence of democratic government is compromise. If there is no willingness to compromise then we find ourselves between autocracy on the one hand and anarchy on the other. If we are going to carry on democratic government there must be a willingness to compromise. That does not mean the renunciation of any great moral principles to which a man commits himself.

There are other things I should like to have said but I find I shall have to refrain from doing so on the present occasion. I wish, however, to conclude with a reference to our position in this parliament. The hon. member for Marquette used words that I heartily endorse, that we should be moved neither by taunts nor by recrimination. We are charged with having forsaken our principles. Hon. members will remember that there is a difference between principles and methods that are employed to give effect to these principles. We may honestly admit that at one time we had in view the formation of a great party that would express our views. But when we talked of that, we got no help whatever from the members representing the United Farmers of Alberta, and absolutely none from the hon. member for Southeast Grey (Miss Macphail). I am simply stating facts. They may have been right, we may have been wrong, but I am simply stating the facts. There was another breach in the third session of the last parliament when the "Ginger" group broke away and did not come to our meetings. When I got home, I was told: We sent you fellows down there to work together. I never was reproached for not joining the ginger group, but it was charged against me that we were not able to preserve unity.

I said, Mr. Speaker, that there should be a distinction between principles and the methods that are employed to give effect to these principles. We have taken our position here. We are each one of us responsible to our constituents. I have no indication up to the present that I have not been expressing the will of the men who sent me here. I believe the hon. members associated with me are, like myself, anxious to express not only their own views but are anxious to do what their people would like them to do. Happily so far we have been able to make these two duties coincide. Again I say, Mr. Speaker, that though there may have been a choice of different means, there is no forsaking of principles.

I am going to close with a somewhat homely illustration. Just before I came away from home I had to sell some pigs. I had them in a pen sixteen feet square. It was not arranged so that I could run them through a chute into my sleigh, so I had to take another method. I got a rope and my method was to try to get a noose round the head of the pig and then a half-hitch round the body. When you have got a pig hitched that way you have got a real hitch. I had a man helping me who was not as experienced as I was, and when I got the noose over the

head of the pig he began to pull. The result was that the pig got the rope off his head, but by a little judicious manoeuvring and scratching the pig I managed to get the rope round his body. Mr. Speaker, we are scratching the pig. There may be one or two stubborn ones that we may have to knock down with a club, but I think we have the majority of them pretty well under control.

On motion of Mr. Barber the debate was adjourned.

On motion of Mr. Lapointe the house adjourned at 10.40 p.m.

Tuesday, March 6, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 58, to incorporate the London and Port Burwell Railway Company.—Mr. Taylor.

Bill No. 59, to incorporate The Federal Loan Company.—Mr. Lang.

Bill No. 60, respecting the Canadian Surety Company.—Mr. Hocken.

REPORTS OF COMMITTEES

Second and third reports of the select standing committee on agriculture and colonization. —Mr. Kay.

First report of the select standing committee on standing orders.—Mr. Morin (St. Hyacinthe-Rouville).

CANADIAN NATIONAL RAILWAYS

PRELIMINARY STATEMENT OF ACCOUNTS

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Mr. Speaker I desire to lay on the table a preliminary statement of the accounts of the Canadian National Railways for the year 1927.

RAILWAYS AND SHIPPING COMMITTEE

Mr. DUNNING moved:

That standing order 63, of the House of Commons, relating to the appointment of select standing committees of the house, be amended by adding to the select standing committees of the house for the present session a select standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred the accounts and the estimates of the Canadian National Railways and the Canadian Government Merchant Marine for the present session, for consideration and for report to the house, provided, however, that nothing in this resolution shall be construed to curtail in any way the full right of discussion in committee of supply; and that the said committee consist of Messrs. Bell (St. Antoine), Cantley, Chaplin, Drayton, Duff, Dunning, Fiset, Goodison, Harris, Jelliff, Jenkins, McLean (Melfort), Milne, Power and Stevens.

He said: The resolution is identical with resolutions of former years in this regard.

Hon. R. B. BENNETT (Leader of the Opposition): The statement tabled by the Minister of Railways (Mr. Dunning), purports to be a preliminary report, and I think we should have the final report if we are to deal with the matter effectively. In addition to that, the motion refers the estimate to the committee, as in previous years, and I think it might also be desirable to refer the report to the committee. Otherwise there may be some difficulty in dealing with it, and I think it was so intended in the first instance.

Mr. DUNNING: It is so intended.

Mr. BENNETT: The motion does not say so.

Mr. DUNNING: As I indicated last week, the government requested the Canadian National Railways to supply the accounts as soon as possible, and this preliminary statement merely lacks the certificate; some of the checking is not finished as yet, but I hope by the time the committee gets to work next week the final audited statement will be ready together with the estimates. As my hon. friend has suggested, both these documents are submitted to the committee, and I must confess that I adopted precisely the form of previous years without scrutinizing it at all closely in that regard. The intention certainly is to submit the report as well as the estimates to the special committee.

Mr. BENNETT: I think, perhaps, the motion ought to read that the report of the company and the estimates for the current year be referred to the committee.

Mr. DUNNING: The motion certainly ought to read that way.

Mr. SPEAKER: Shall the motion pass subject to this understanding?

Mr. T. L. CHURCH (Toronto Northwest): Motions similar to this have been made every year for the past three years and the Minister of Railways, whoever he happened to be, has always offered a plausible excuse for adopting that plan, namely, that an opportunity would be afforded for discussion when the report of the committee was presented later on. But that is not the way the matter works out in practice. There is no more reason why a select committee should be appointed to consider the estimates of the

Department of Railways, or of the Canadian National Railways, than there is for pursuing a similar course in regard to the estimates of the Post Office Department, the Department of National Revenue or any other branch of the public service. The proper way to consider the estimates as a whole is to appoint a number of estimate committees to supervise the estimates of the various departments, then summon the officials before those committees and ask for detailed explanations of the public expenditures. The present system of trying to audit the estimates in committee of the whole is an inefficient and antiquated one and is only a post mortem method. One of my reasons for objecting to the present motion is that when the course which it recommends is adopted the report of that committee does not come back to the house until an advanced hour in the morning of the day of prorogation, when there is not the faintest possibility of intelligent discussion. The committee is just a whitewashing one. When it is appointed and is carrying on its sittings you cannot get any information there of real value in regard to this great public undertaking known as the Canadian National Railways. Not only should the capital expenditures of the system be thoroughly investigated, but the entire administration of the railway, and the operation of those deficit-producing lines in the United States with which it is affiliated, should be brought under review. But nothing of that kind occurs. Really it seems that the president of this system, Sir Henry Thornton, has very little to do. Recently he took a month's holiday in Mexico. Tomorrow he may be on a mission to Peru, or to Bogota. In the course of time he will have visited the seven seas and whatever capitals are located on them. It is useless for a member of parliament, acting in the interests of his constituents, to try to get any information with respect to the operation and administration of this railway. In the Ontario legislature, where the estimates of that great public undertaking the Hydro Electric Power Commission are under review, they would not think of passing any such resolution as this and shunting it all off on a committee on whitewash. The functions of this committee are purely and simply of a whitewashing character. Its report will be brought down in the dying hours of the session and no opportunity whatever will be afforded of criticizing the railway policy of the government. In connection with the administration of the Canadian National Railways one would think that if any appointments needed to be made Canadians would be chosen but they have been ignored. The graduate of a law school in connection with Yale university, Mr. Gaston, was brought over to fill an important position which could have been filled just as efficiently by some one of the many returned soldiers affiliated with Canadian law firms. If you pass this resolution you might just as well pass the whole of the estimates without any inquiry at all. The people of this country are not satisfied with the entire administration of this so-called publicly owned road. It is not a publicly owned road at all, and the head of the system makes a political football of the fuel question in the interest of coal barons in the United States. It has become a popular method on the part of this government to refer embarrassing questions to special committees and courts. And what is the result? You cannot get information from ministers in the house, and you cannot get it when you attend these committees. The St. Lawrence waterways question is also being made a political football. That question has been referred to the run of the law courts, and the Lord knows when it will come back; perhaps two or three months before the next general election which will likely take place two or three years hence. In France and in the United States the estimates of the public departments are considered by certain special estimate committees, and as a result those estimates are carefully scrutinized. The estimates of the national railway are referred to a special committee, and nothing further is heard about them. The report is brought down within an hour or two of prorogration when intelligent consideration or discussion is out of the question. Personally I prefer the system followed in France and the United States and it should be made to apply to all departments generally. The practice we follow is simply to hold a post mortem after the money has been spent. Parliament, under the plan followed here, has no control whatever of the estimates of the Canadian National Railways. We want to overhaul our methods of considering estimates and adopt the committee system as a whole brought up to date as in France where the officials can appear before these committees and give information and not single out the Canadian National Railways for this special treatment.

Mr. H. C. HOCKEN (Toronto West Centre): With regard to the hon. gentleman's objection to the estimates of the Canadian National Railways going to this committee I have nothing to say, but I do resent on behalf of my constituents his continued attacks upon the administration of that railway. I can

tell the house that the many speeches my hon. friend has made against the national railway do not represent the sentiment of one per cent of the people of the city from which he comes. I can state without hesitation that the people of Toronto, to the extent of 99 per cent, are favourable to the national railway. When my hon. friend gets up and denounces the administration of the railways, as he has done not only to-day but on former occasions, I feel that it is my duty to inform the house as to the real sentiments of the city from which we both come. He can curse Sir Henry Thornton as much as he likes; that may be his opinion of him; but I do not want to sit, and I do not think I should, sit here quietly, and let it go abroad that the opinions he expresses are those of the people of the city of Toronto. To me it comes as a surprise that my hon. friend who has represented himself as the great protagonist of the public operation of utilities, who on almost every occasion that he stands in this house praises the great work of Sir Adam Beck—and I entirely agree with his sentiments in that regard—should attempt to belittle and discredit the operation of the greatest national utility we have in the Dominion of Canada. If there is under public ownership and management any organization that should receive the support of the people of Canada, it is the national railways. We have over a billion dollars invested in that enterprise, and it is our duty, as I see it—and I know many manufacturers and freight shippers in Toronto feel it to be their duty—to do what we can to make this railway a success. I think it will be found on examination of the freight traffic from Toronto that that city has contributed as much if not more than any other part of the Dominion of Canada to the success of this railway. I am not speaking of the west which has enormous quantities of traffic, great bulk cargoes of grain to ship, but I am speaking of a city where there are innumerable men shipping freight and travelling as passengers on this railway. If the people of our city were not sympathetic to this enterprise; if they did not really desire its success, they would not patronize it to the extent they do. That very fact refutes the attacks which my hon. friend makes upon the management of the national railways. I have no brief for the railways, but I have a brief for the city of Toronto and I do not want it to go abroad uncontradicted that the sentiments expressed by my hon. friend are held by any considerable number of the people of Toronto.

Mr. CHURCH: Mr. Speaker—

[Mr. Hocken.]

Mr. SPEAKER: The hon. gentleman has already spoken on this motion. He can speak only once.

Motion agreed to.

Mr. SPEAKER: It is understood that a new motion will be presented with the estimates. Is that the agreement?

STANDING ORDERS

Mr. L. S. R. MORIN (St. Hyacinthe-Rouville) moved:

That the first report of the select standing committee on standing orders be concurred in

Motion agreed to.

AGRICULTURE AND COLONIZATION

Mr. W. F. KAY (Brome-Missisquoi): With the unanimous consent of the house I beg to move:

That the third report of the select standing committee on agriculture and colonization presented this day be concurred in.

Mr. SPEAKER: By leave of the house.

Motion agreed to.

PRIVILEGE—MR. EDWARDS (Frontenac)

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac): I rise to a question of privilege. One week ago to-day in the course of my remarks on the budget I made certain statements which were vigorously repudiated by the Minister of Immigration and Colonization (Mr. Forke). Certain comments which have been made by the press with regard to that statement, I think, place me in an entirely wrong light and I desire in a few words to justify the statement I made. On the 28th day of June, 1926, Premier King tendered to His Excellency the Governor General his resignation which was accepted, and the Governor General called on the Right Hon. Arthur Meighen, who signified his willingness to attempt to form an administration. The next morning, Tuesday, June 29, the Progressives met in caucus and passed this resolution:

Motion agreed to by Progressive group:
That we assist the new administration in completing the business of the session;

That we are in agreement of the necessity of continuing the investigation into the Customs and Excise department by a judicial commission;

We believe it advisable that no dissolution should take place until the judicial commission has finished its investigation in the Customs and Excise department and that parliament be summoned to deal with the report.

The present Minister of Immigration and Colonization stated, as reported in the Globe

of July 5, 1926, that the above resolution was passed by the Progressives and given to him for his guidance. I make the statement that he conveyed to His Excellency the Governor General the attitude of the Progressives as indicated in that resolution and, what is of more importance, since it appeared in the press, was the fact that it was conveyed to the people of Canada generally. That is my warrant and that is the pledge to which I refer. You can call it pledge, contract, undertaking, or whatever you like; I do not wish to quibble on terms. That is the pledge to which I refer and which I regard as a pledge. It was written and, therefore, a written pledge. It was endorsed by all the Progressives including the leader of the Progressives and, therefore, by the minister himself.

Mr. DUNNING: How does the hon. member know?

Mr. EDWARDS (Frontenac): I have the assurance of the hon. gentleman himself and also of other members of the party to that effect. In support of my second statement that that pledge was violated, I say that all you have to do is to scrutinize the votes taken on June 29, June 30 and July 1, which show conclusively that not once in any of those votes—

Mr. SPEAKER: I think the hon. gentleman is going further than a question of privilege.

Mr. EDWARDS (Frontenac): I respectfully submit that I was charged with making a misstatement in saying that a pledge had been violated. Surely I have a right to say in what respect I was warranted in making that statement and then letting the people judge of the facts. I say that the votes taken on June 29, June 30 and July 1, clearly indicate that not only did the leader of the Progressives at that time not assist the new administration in advancing the business of the session, but on every occasion he did all he could to prevent that administration from carrying on.

Mr. SPEAKER: Order. If the hon. gentleman will allow me, he made a statement in the course of his remarks, and the hon. Minister of Immigration (Mr. Forke) also made a statement in reply to the hon. gentleman. According to parliamentary authorities, when a statement is made in the house it is bound to be accepted by every member of the house. I cannot allow explanations of the meaning of all the words and declarations used to be brought up on questions of privilege. It would create a vicious circle which could not settle the question in any event. The hon. gentleman made a clear-cut statement; the hon. Minister of Immigration has also made a clear-cut statement, and in my judgment the incident is closed.

Mr. EDWARDS (Frontenac): I just want—

Some hon. MEMBERS: Order.

Mr. EDWARDS (Frontenac): I presume the Speaker is presiding. I quite agree with you, Mr. Speaker, that I must accept the statement of any hon. gentlemen in this house, but I would call your attention to the fact that I do not have to accept the statements made by a newspaper, and I was replying to the newspaper's misrepresentation of my attitude.

Mr. BENNETT: I think, Sir, you overlook the fact that the Minister of Immigration and Colonization rose to a question of privilege and denied a certain statement. The document that authenticated the statement made by the hon. member for Frontenac-Addington (Mr. Edwards) was then produced by him to show that the memory of the minister was at fault. That is the story.

Mr. LAPOINTE: My hon. friend is not serious.

Mr. FORKE: As a matter of privilege, I rise to ask if this is to be the last word on the subject. Have I no right to reply to the statements made by the hon. gentleman?

Mr. SPEAKER: There is no debate on a question of privilege, but, of course, if the hon. gentleman rises to a question of privilege he can be heard at any time.

Mr. FORKE: I repeat again on a question of privilege that the hon. member for Frontenac-Addington has made a complete mis-statement of the facts.

Some hon. MEMBERS: Order.

Mr. BENNETT: He read from the document you took.

Mr. FORKE: Shall I say the statements are true—

Mr. BENNETT: Certainly they are true.

Mr. FORKE —when I know they are a mis-statement of the facts? I cannot see where I am wrong. My character to a certain extent is at stake in regard to the statements that have been made. My friends in the other corner of the house know exactly what took place and I put it to them —to any member over there, to get on his

feet and say that a resolution was passed instructing me to take certain proceedings with the Governor General.

Mr. BENNETT: That is not what was said.

Mr. FORKE: I hope my hon. friend the leader of the opposition (Mr. Bennett) wants to see justice done in this matter.

Mr. BENNETT: Hear, hear.

Mr. FORKE: I hope he is not holding a brief for anybody. I may say that during the last election a four-page pamphlet was published headed, "Forke double-crosses Mr. Meighen. He double-crossed the Governor General."

Mr. EDWARDS (Frontenac): I rise to a point of order.

Some hon. MEMBERS: Order.

Mr. EDWARDS (Frontenac): If you want it, you can have it. You are not going to have it all your own way.

Mr. SPEAKER: Order. The name of the Governor General must not be introduced into the debate. We have had personal explanations from both hon. members, and the house can judge of the matter. I regard the incident as closed.

PRIVILEGE—MR. CHURCH

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): I rise to a question of privilege. I wish to call the attention of the house to an editorial in the Orange Sentinel of March 1st on the Mexican question, stating that I was ill-advised to press a vote. I do not know whether anyone ever reads that paper or not—I do not very much—but this editorial, which I am not allowed to read, refers to my motion regarding the Mexico question. Might I say in reply that I had one motion on the order paper, and had I put my other motion on the order paper it would have gone to the bottom of the list, with thirty-seven others ahead of it, and would not have come up again this session. The hon. member for Toronto West Centre (Mr. Hocken) is an expert at the hit-and-run game—

Mr. SPEAKER: Order. On no question of privilege and on no other question is an hon. gentleman allowed to attack another hon. gentleman.

Mr. CHURCH: I rise to a question of privilege, Mr. Speaker, in regard to certain remarks that were made this afternoon upon another question by the hon. member for Toronto West Centre.

Mr. SPEAKER: Order. If the hon. gentleman refers to the question which came up this afternoon on the motion to refer the estimates of the Canadian National Railways to a special committee, the hon. gentleman objected to that motion. The hon. member for Toronto West Centre (Mr. Hocken) was in favour of the motion and made certain remarks, but there was nothing in them which I heard which could give rise to a question of privilege. I would say to the hon. gentleman that if we are to conduct the affairs of the house in a sane way, we should not prolong these rambles about remarks made by another speaker.

Mr. CHURCH: I rise to a point of order, Mr. Speaker. I contend that our parliamentary text books on procedure and also your rulings from the dead text books of the past, have been very largely abolished by our new status. I think it is a very proper question of privilege that I am raising. The statement has been made that I attacked the railway. What I was attacking was the method of appointing the committee.

Mr. SPEAKER: There is no question of privilege there. There would be a question of privilege if the hon. gentleman's character had been attacked, but there was nothing of the kind in the speech delivered this afternoon by the hon. member for Toronto West Centre.

PRIVILEGE—MR. GOTT

Mr. E. J. GOTT (South Essex): I rise to a question of privilege, Mr. Speaker. The hon. member for West Elgin, speaking in this debate, said at page 960 of Hansard:

> The hon. member for South Essex (Mr. Gott), stretched the point somewhat finely, but the fact remains that these two plants are being prepared for production and the company have announced that production will begin shortly.

Mr. SPEAKER: There is no question of privilege there.

Mr. GOTT: Just a moment.

Mr. SPEAKER: It is a question of fact; that is all.

Mr. GOTT: I want a correction to be made.

Mr. SPEAKER: That is not a question of privilege.

Mr. GOTT: The Hansard report goes on:

Mr. Gott: The company says that there is no production; that is the wire.
Mr. Hepburn: They are about to begin production.
Mr. Gott: They say not.

I want it understood that if this utterance was made from this section of the house it was not made by the member for South Essex, because there is nine million dollars invested there, and the hon. member for South Essex knows as well as the residents of Windsor that they will proceed only when a duty on steel is established.

Some hon. MEMBERS: Order.

NEWFOUNDLAND DELEGATION

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I rise to ask a question, based on an article that appeared in the Toronto Daily Star of Saturday last, headed, "Movement is Reported to Have Newfoundland Enter Confederation." One paragraph reads as follows:

A delegation of Newfoundland citizens, bearing with them the tacit authority of the government to express its views, is expected to reach Ottawa shortly in order to discuss this matter.

I would like to ask the Prime Minister if there is any authority for this report, and if so, when the delegation comes, will he give it a sympathetic hearing.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have heard nothing from any source, other than that which my hon. friend has just quoted, which would indicate that a deputation is coming. If any deputation does come, it will receive the same consideration and courtesy that is extended to every deputation.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Monday, March 5, consideration of the motion of Hon. J. A. Robb, (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan, and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, I rise in a somewhat tense atmosphere to resume the debate on the budget. But first of all let me say that the proposed amendment of the rule limiting speeches to forty minutes appeals very much to me. Those of us who sat in this house during the session of 1926 will, I am sure, agree that this would be a welcome change.

The budget has been termed by some a shadow budget; by others a shift budget. My sympathy immediately goes out to the hon. Minister of Finance (Mr. Robb), for whom personally we all have the greatest admiration. Consider for a moment the trouble he has had in framing this budget, for he had to try to satisfy the different viewpoints of the supporters of the government: the free-trade section—those who have continued to sound the "death knell of protection;" the wing that calls for a tariff for revenue only, and the other section demanding adequate protection along certain lines. In his endeavour to conciliate these conflicting views he has produced a budget that in my opinion will confer no particular benefit on the Canadian people.

It is not my intention to go fully into the budget proposals, as I wish to deal with a matter that has not been taken into consideration by the government, but before doing so I purpose to devote a few minutes to the subject of tax reduction. There is no doubt that the reduction of the income tax and corporation tax has been well received by some of our people. We are all acquainted with the history of the sales tax, and it was dealt with yesterday by some hon. gentlemen. This tax was raised from three to six cents by the government when it took office. Shortly afterwards our friends opposite began to claim credit for what they termed great reductions in the sales tax; first it was reduced 16⅔ per cent, then 20 per cent, and this year a further reduction of 25 per cent has been heralded throughout the country. But after all these so-called great reductions we find that to-day the sales tax is at 3 per cent—exactly where it stood six years ago when the Liberal party succeeded to power. I think we all agree that the sales tax bears very heavily on the great masses of the people, and if the burden of taxation is to be lightened, as the government promised some time ago, then I think this tax should be completely wiped out.

The Minister of Finance tells us that of course we must expect a continuance of certain taxes as long as we have a war debt. As to this, I agree with my friends to the left that the one tax that should be continued is the income tax. But I will go further; I say that the proceeds of this tax should be earmarked and applied to reducing the war debt. We are told by the minister that the general debt has been decreased this year by some thirty-eight million dollars. At the same time the estimated collections of income tax

he places at fifty-five million dollars. I think it very unfair that the revenue raised through the income tax should be expended on public works and the establishing of embassies in foreign countries.

As to the reduction of the national debt, a subject that has been discussed pro and con throughout this debate, I think the fairest statement in regard to it was given by the hon. member for St. Lawrence-St. George (Mr. Cahan), which will be found at page 617 of Hansard:

> The net debt of Canada on March 31, 1927, was $2,726,298,717, showing on the face of the accounts a reduction of $41,896,729.33 in the net debt over that of the preceding year. And yet the national railway indebtedness to the public only, increased in 1927 by $46,000,000.

The reply to the claim that the government has reduced taxation is given by the Minister of Finance himself when he states that the increase in the amount of taxes collected amounts to $10,420,728 over last year, or a little over $1.10 per capita. In this connection I am reminded of the remarks of an hon. member the other day, and I think the Minister of Railways (Mr. Dunning) would agree that he is not a Tory. He reminded us that in 1921-22 under the Conservative administration the total taxation collected amounted to $317,000,000. The Minister of Finance estimates that for the year 1927-28, $357,000,000 will be collected. In other words, this year the government expects to collect $40,000,000 more from the people than the Conservative administration did in their last year of office.

The Minister of Finance has termed this a thrift budget. The government have been talking thrift and economy for some time, but they continue to increase expenditures each year. I would refer the house to his statement as set out at page 535 of unrevised Hansard, where under the heading of ordinary expenditures it will be seen that there is an increase over last year of $14,181,827, under special expenditure, an increase of $2,156,600, and under capital expenditure an increase of $1,846,308, the total under these three headings being $18,184,735—representing in the neighbourhood of two dollars increased expenditure per head of our population. The estimates for the coming year show similar increases, and during this fiscal year, 1928-29, the government will expend every day no less than $1,095,000.

I find that the tariff changes in this as in all other budgets of this government are calculated to encourage importations, curtail opportunities for employment in home industries, and lessen the importance of the home market to Canadian producers. This continual tinkering with the tariff has done more to disorganize industry and discourage capital than has anything else. It is a policy of uncertainty. I think the time has long since come when there should be marked in red on our calendar another day, the day when the budget speech is brought down. The people of this country look forward with great anxiety to that date. I might liken it to a man up on a charge of murder. He looks forward with dreadful anticipation to the conclusion of his trial and the return of the verdict, awaiting either the passing of sentence or release. In the meantime he does not know whether he is to be discharged or sentenced to prison for life or to hang by the neck until he is dead.

There is nothing in this budget calculated to encourage our great primary industries. In this regard I was interested in the simile offered by the hon. member for Southeast Grey (Miss Macphail) the other day, when she compared the well being of a country to a tree, agriculture and the other primary industries forming the roots and the secondary industries the branches. If the roots are injured then of course the tree withers and dies. I fear that some of the branches of our national tree are withering to-day. For a few minutes I propose to discuss some of the branches, but first I would refer to one of the roots, the great industry of agriculture. Let us take dairying, which is one of the most important. The dairymen of this country, I want to point out, have no eight hour law; they work from early morning until late at night. Nor have they any weeks of holidays; they cannot put their cattle in cold storage and elevators and travel south; they must be on the job all the time. The total investment in this business is some $900,000,000 and it gives employment to half a million people. We have in this Dominion over three million producing dairy cows and the total dairy production amounts to $250,000,000, being greater than that of the mining industry of which we are so proud. One would naturally expect such an important industry to receive every encouragement at the hands of the government, but the greatest blow it has been given has been the Australian treaty which was entered into by our friends opposite in 1925. We have an excellent illustration of the effect of reduced tariffs when in this instance we find that the treaty not only resulted in a lowering of the duty against Australian and New Zealand products from four cents to one cent, but also forced the Americans, in order to protect themselves,

to raise their tariff from eight to twelve cents, thus excluding us from their market.

Prior to this trade arrangement we exported considerable quantities of butter to the United States. In the year 1925 we exported 24,553,000 pounds, importing in that same year 193,341 pounds, leaving a net surplus for export of over 24,000,000 pounds. Since the coming into force of the treaty our exports have gradually diminished while our imports have increased. According to the statement issued by the Department of Trade and Commerce, December 31 last, we exported $1,068,610 worth of butter, chiefly on consignment to Great Britain, and imported $3,892,640 in 1927. In other words, we imported over three times as much butter as we exported. As to production, I have been unable to secure the figures for 1927 but I am advised that they are in course of preparation. I fear they will show a great decrease in production. Monthly bulletin No. 232, giving agricultural statistics, shows that we produced 272,000,000 pounds of butter in 1926 and further, as between the two years 1925 and 1926, a decrease of 5,000,000 pounds in production of dairy butter and an increase in creamery butter of 7,700,000 pounds, or a total increase of 1.01 per cent. It has been argued that the price of butter retailed in Canada has been higher since the coming into effect of the treaty. This is an unfair way to look at the question; we should consider, not the retail price, but what the dairymen receive for their product in this country. In this connection I desire again to refer to this bulletin on agricultural statistics. We find that the dairymen of Canada received in the year 1925 $95,136,896 for their butter, while in 1926 they received $90,006,167; with an increased production of 1.01 per cent they received $5,130,729 less for their butter in 1926 than they did the previous year.

Under this agreement thousands of pounds of butter from New Zealand and Australia have reached the Vancouver and British Columbia markets. At the same time I feel that British Columbia has not been so hard hit as other portions of the country, particularly the prairie provinces. The dairymen of the Fraser valley market their product principally in the form of fresh milk. During the year 1927 they produced in the district 12,500,000 gallons. Of this volume 7,000,000 gallons took the form of fluid milk while 5,500,000 gallons were disposed of as products manufactured from milk, chiefly butter. The returns received from milk sold in fluid form were considerably higher than the returns received from milk sold in the form of butter, the relative returns being 24 cents per gallon and 16 cents per gallon respectively.

The great problem facing the organization of the Fraser valley to-day is the loss through surplus which must be marketed in the form of butter, cheese and other products. Under present conditions, if the dairymen of Fraser valley had to depend on butter prices for their product they would all go out of business. A few years ago, I remember, a large quantity of Alberta butter was sold on the British Columbia markets, and I may say a very popular brand it was. Now it is replaced by New Zealand and Australian butter. No part of this country has been harder hit by this Australian treaty than the prairie provinces. The farmers of those provinces have been urged for some years to go into mixed farming and they were making rapid strides in dairying. Two years ago in the province of Saskatchewan there was more butter made every week during the winter months than was consumed. At the present time that province is producing less than 50,000 pounds per week, with a weekly consumption of 200,000 pounds. Twenty butter factories which have been in operation for years have been closed. These conditions, I believe, apply generally to Alberta as well. We find that Calgary has had to import fresh cream from Vancouver for table use. It is said that thousands of prairie farmers let their hired help go in the fall owing to the fact that they are not milking their cows. This is a serious state of affairs in this industry, and it has all been brought about by the policy of hon. gentlemen opposite.

I have here some resolutions of protest submitted to this government and as I see the Minister of Agriculture (Mr. Motherwell) in his seat I wish to bring them to his attention. First there is the National Dairy Council, whose views are on record. This organization met the Minister of Agriculture and other members of the government on November 29 last and presented the following resolution:

> That the order in council applying schedule 2 of the Australian trade agreement to New Zealand be rescinded at once;
>
> That the dumping clause be immedately applied on all butter sent from Australia to Canada on consignment as well as on direct sale;
>
> That the Australian trade agreement be terminated as provided in the Australian Trade Agreement Act, 1925.

A similar resolution was forwarded by the British Columbia Dairymen's Association, which met in Nanaimo on February 22, and we have also received protests from a meeting of western dairymen which took place at Regina on February 10. Now I turn to the Minister of Agriculture; I say to him that the dairymen of this country want to know

what he is going to do about this question; he can no longer turn a deaf ear to these protests. I would ask the minister if he can give us some assurance that the wishes of the dairymen will be carried out. He does not reply. I am sorry the Minister of Finance is not in his seat, because I believe he was the father of this child, and his usual comeback is, "What about paper, salmon, and other products of British Columbia?" I can only say that I do not consider even those products safe under this treaty, because it appears that under this agreement Australia has certain powers which we do not have; their preferential and intermediate tariffs are subject to change from time to time without reference to the wishes of this country. Recently the Australian government made a change with regard to the tariff on automobiles, by revising that part of the agreement dealing with those items. They increased the preferred rate and the general rate by 5 per cent and 7½ per cent respectively, and the manager of General Motors Corporation says that any benefit they received from that treaty has been taken away.

The trouble is that when this agreement was entered into, so far as agricultural products were concerned we had nothing to trade. As you all know, under that agreement Australia was allowed a preference of 3 cents under our general tariff; if our general tariff had been raised to what it should have been and the tariff on butter increased to 8 cents or 9 cents there would have been no trouble. When the tariff was left at 4 cents, however, the 3 cent preference only allowed a protection of one cent per pound, and our markets have been flooded with Australian and New Zealand butter.

Mr. ADSHEAD: May I ask a question? Can my hon. friend tell me who is the greatest importer of New Zealand butter and also the difference in the tariff on butter as between Australia and New Zealand?

Mr. BARBER: In my forty minutes I have not time to go into that, but my hon. friend is one who would refuse to raise that butter tariff. At the same time, this government raised the tariff on currants and raisins from a half cent to three cents, in order to protect the growers of Australia.

Now let us look at this industry from another angle. To-day we are assisting other industries throughout this country, so would it not be only fair to assist this industry which is working under altogether different conditions? We should give them at least sufficient protection to meet the difference in the cost of production which is due to climatic conditions in other countries. Just think what it would mean; under the one cent tariff we imported last year 11,208,819 pounds of butter, or 1,348,167 pounds more than we imported during the previous year. If this butter were produced in Canada it would mean 125,000 more dairy cows with an increased production totalling about $3,500,000; it would mean stabilizing the market and would result in the employment of about 15,000 more people. The home market would be increased and our own good Canadian money would be kept in circulation in this country.

Then there is another important industry to which I wish to refer, and that is the poultry industry. That is a very important branch of agriculture and one which should receive every consideration and assistance at the hands of the government. During the last few years Canadian poultrymen have established world records of performance, and they made an excellent showing at the great poultry congress which was held in this city last year. To-day they are greatly handicapped not only through the lack of protection but also because of the uncertainty which exists under the policy of this government. I have here a wire which was sent to an hon. member of this house under date of February 29, which will illustrate how this uncertainty handicaps our poultrymen. This wire was sent from Duncan, British Columbia, addressed to Mr. C. H. Dickie, M.P.:

> We are advised effort being made to reduce tariff on American eggs but have received no definite information. Please investigate and advise us promptly. We are opposed to a reduction.

That is signed by the Cowichan Creamery. The poultrymen to the south of the line have the advantage of climatic conditions, lower feed and labour costs and a tariff which protects them from unfair competition, while a low Canadian tariff permits them to invade our market with their surplus stocks. We imported from the United States last year under the three cent tariff over 3,000,000 dozen eggs in shell. In addition to that we imported 1,691,359 pounds of eggs from the orient and other countries, mostly canned, which would equal about 1,130,000 dozen eggs in shell. This makes a total of 4,248,513 dozen eggs which were pushed on the Canadian market last year to compete with our own good Canadian product. According to the Bureau of Statistics we have a poultry population of over 46,000,000, with a commercial production of about 237,000,000 dozen eggs. Let us consider this industry as we consider the dairying industry; if we produced in Canada the number of

eggs imported last year it would mean 850,000 more poultry, and if we allow 1,000 to a farm this would mean 850 additional farms and employment for perhaps 2,000 more people.

Another branch to which I wish to refer is the production of young fruit trees, rose bushes, shrubs, fruits and vegetables which will grow in Canada. I think we will all agree that this is a business which can readily be carried on in this country and which should be encouraged. This is an industry which would add to the future prosperity of this country; we have the climate, the soil, the knowledge and the desire and the government have it within their power to make this business a success. Those engaged in this business have to meet very unfair competition due to large importations from foreign countries. If we consider nursery stock we find that about 75 per cent of the cost of production is labour, and our labour cost is about two and a half times that of our competitors in foreign countries. Here is an industry which might profitably employ hundreds of people if we had sufficient protection to compensate for the difference in labour cost. For instance, 75 per cent of the cost of growing a rose bush is in the labour; skilled labourers in Holland get from twelve to fifteen cents per hour, while in Canada the same labour is paid from thirty cent to fifty cents per hour, so it is easy to figure out the difference in cost. As a result of this wide difference we imported 1,129,918 rose bushes from Holland in 1926, in addition, shrubs valued at $159,530 and 272,390 fruit trees. These fruit trees came from the United States almost exclusively, and there again we have unfair labour competition. The price of these trees is largely fixed by the cost of negro labour in the south, where living conditions are the very cheapest and where the standards of living are not to be compared with those in Canada.

Last year we imported into this country fresh fruits to the value of $24,685,221, of which about one-fifth could have been produced in Canada. During the same year we imported fresh vegetables to the value of $5,685,221, of which $4,682,259 worth, could have produced in this country. That gives us a total importation of fresh fruits and vegetables valued at about $9,550,000 which can be and are being produced in this country. It is estimated that we have over 90,000 fruit and vegetable farms which produced in Canada last year in a commercial way about $47,718,000 worth of fruit and vegetables. Think of what it would mean to Canada if our imports of these products, corresponding to 20 per cent of our total production, were produced in this country. Suppose the average production per farm is $1,000, which I believe is a high figure, it would mean 9,550 more farms and a considerable increase in employment in Canada.

Last year we imported $857,583 worth of apples. Why should this be necessary? No finer apple is produced than the Canadian apple. Over $500,000 worth of peaches were imported into Canada. Why is this necessary? Where do you get a finer flavoured peach than that of the Niagara peninsula? The only place I know is British Columbia. The same thing applies to pears, of which the imports amounted to $855,274; strawberries, with imports of $668,417; cherries, with imports to the amount of $120,912; and plums of which $475,226 worth were imported.

In vegetables we find the same thing occurring. Large quantities of new potatoes are usually imported early in the spring at a very high price, with the result that the Canadian crop, which is of even higher food value than the imported product cannot be sold or only at a very low figure. This government does not recognize this industry even to the extent of a seasonal tariff. The vegetable and fruit growers express themselves as deeply disappointed that no steps have beeen taken to protect them against the inrush of earlier products from the United States. Many representations were made to the tariff board and the government on behalf of the growers in the maritime provinces, Quebec, Ontario and British Columbia.

In dealing with the dairy, poultry, fruit and nursery industries I have tried to make it plain that under the present policy these industries are hampered—that in order to ensure their growth and development they must be protected to the extent at least of the difference between Canadian and foreign conditions and especially foreign labour costs. I do not say that protection is a panacea for all our ills, but I am convinced that under reasonable protection it is quite feasible to produce in this country, for domestic consumption, a large amount of the commodities which we now import from foreign lands. I say "reasonable" protection because that is exactly what the Conservative party stands for. This party has been misrepresented throughout this country as a party of high protection, of sky-high protection. We remember the campaign which the Minister of Railways (Mr. Dunning) and his lieutenants carried on through the prairie provinces in the last two elections. "Vote for the Conservative candidate", he said, "if you want still higher protection and everything that goes with it." The result was that in that campaign he was very successful, but he was not as successful when he crossed the Rocky mountains.

In connection with the matter of protection I wish to refer to some remarks made by the hon. member for Mackenzie (Mr. Campbell). I do not think that hon. gentleman can be accused of being a protectionist, or of belonging to our party. However, on page 810 of Hansard the hon. gentleman is reported as having spoken as follows:

> For the five years from 1917 to 1921 inclusive the average rate of duty on dutiable imports was 21.9, while for the five years from 1922 to 1926 inclusive, under this administration, the average rate of duty collected on dutiable imports was 24.06, or a difference under the late Conservative administration of 2.16 lower.

So, according to the hon. member for Mackenzie, our record does not show that we are a high tariff party. Stability is what we need in this country, and under the system we are pursuing to-day we are giving employment to thousands of workers in foreign countries instead of providing work for our own people at a fair wage. Under the present system we are denuding this country of its raw material, and we are driving our own people to other countries. We all admit that immigration is our great problem. Is there any better solution of that problem than to make Canada a better country to live in, create conditions such as will encourage the investment of capital and the development of our natural resources, thus providing more work for our own people and building up a home market for Canadian producers. I say that people do not as a rule leave their homeland simply for a change of air and scenery; they leave in order to better their condition. Make Canada more attractive, make Canada a country that will appeal to these people, and instead of having to spend millions every year to bring immigrants to this country, we shall have them knocking at our doors clamouring for admittance.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, it has been my privilege to attend all the sittings of the house since this debate began. In a way it was a sort of professional duty but it was very interesting in many respects. I am more than ever convinced of the truth of the saying of a great English parliamentarian, that the House of Commons is the most tolerant institution in the world. I only wish the people of Canada could have been present during the course of the debate and have listened, as I have listened, to the extremely opposite and contradictory arguments which have been presented by both parties opposite with respect to the budget brought down by the Minister of Finance (Mr. Robb). All hon. gentlemen criticizing the budget agree on one point. It is that there is no constructive policy displayed by the government. The difficulty is that what is constructive in one part of the house is regarded as destructive in another quarter of the chamber. If the people of the country could have, as I have said, listened to everything that has been uttered here it would be easy for them to draw their own conclusions.

Mr. Speaker, the amendment and the sub-amendment are innocent looking creatures deserving of very little attention. The amendment, like its big brother the tariff resolution of the Winnipeg conference, is an emasculated political instrument disowning the very word of protection, deprived of all strength, virility, and even significant meaning. It is such a mild and soft expression of policy that one is amazed at the bitterness and violence of the speeches which have been made in support of it. Of course violent arguments and violent speeches from each end of that side of the chamber defeated the purposes of the respective parties. While sitting here quietly, with not much to do, I took the trouble to gather up some of the shrapnel which was launched against the administration, and I want to exhibit this shrapnel to the people of the country in order to illustrate the conditions as they exist in the house. As we say in French, "A tout seigneur tout honneur." I will begin with my hon. friend from Fort William (Mr. Manion). The hon. gentleman is a fine speaker, I am always fond of listening to him. Perhaps he is a little bitter. For some time it was my impression that he was trying to make his new associates forget that he was ever a Liberal. That was long ago.

Mr. MANION: They have forgotten it long ago.

Mr. LAPOINTE: Here are the words of my hon. friend, taken from page 656 of Hansard:

> While the tariff changes may seem minor when one looks at them first, already from reports coming in to members of this house who have in their constituencies mills which are affected by these tariff changes, it looks as if serious injury was once again going to be done by this government to the industrial life of this country.

Further on he says:

> As time goes on, the government and the people of this country will find that the reductions in the present tariff, though minor in appearance will do more injury to the industrial life of our country and drive still greater numbers of our people to the country to the south of us to earn their living which they are denied here at home.

Mr. GOTT: Hear, hear.

Mr. LAPOINTE: I am glad my hon friend over there cheers. Immediately after-

wards the hon. member for Last Mountain (Mr. Fansher) said, as reported on page 673 of Hansard:

So far as I have been able to ascertain from the closest scrutiny of the budget, particularly as it affects the customs tariff, there is practically no reduction that will benefit the great mass of consumers and the producers of this country.

Some hon. MEMBERS: Hear, hear.

Mr. LAPOINTE: Now my hon. friends are cheering on the other side. The hon. member says later on:

Hon. gentlemen from Manitoba are the doorkeepers, as it were, of western Canada. Are they going to assist us, or are they going to be instrumental in opening the doors to further burdens and to the laying of greater stress and strain on the agricultural industry? I hope not.

Then came a violent offensive on the part of the hon. member for Toronto Northwest (Mr. Church). He had many chapters and I am going to select only a few of them. He said:

Woe be it to the maritime provinces when they deal with some of their industries! Woe be it to the industries of the province of Quebec! . . . .

The main tariff changes in this magnificent budget with its twelve pages of schedules affect the cotton and woollen industry. I have no doubt that one reason for these twelve pages of tinkering is due to the fact that the government, in anticipation of a general election two or three years hence are making a nice little gesture to the gentlemen on our left in anticipation of a larger vote west of the great lakes. . . .

It is just digging up material for the free traders. The tariff board to-day, in my opinion, is composed of nothing but a lot of spade and shovel men who are digging up a lot of facts about free trade for the government to destroy protection and trying to foist free trade on the people. The farmers of this country do not believe in the policy of free trade, and yet the government are going to destroy every industry in Ontario and Quebec before they get through with this Yankee fad, the tariff board. . . .

To-day this government with its free trade gesture is in effect telling our youth: "Go south, young men." . . . .

The expulsion of the Acadians was nothing to the expulsion of 600,000 Canadians by this tariff policy.

There are many others of the same kind but I am afraid time will not permit me to quote my friend from Toronto at greater length. To that the hon. gentleman for East Lambton (Mr. Fansher) says:

As I say, the government appealed to the country saying: Why divide the low tariff element? But in this budget they have simply tinkered up the old tariff wall, taking off a stone here and replacing it somewhere else, and taking one from there and putting it in the place of the one they took away. They have given the old tariff wall a coat of whitewash and they have still kept the old barbed wire entanglement known as the dumping clause on top of the tariff wall.

Then the hon. member for Muskoka-Ontario (Mr. McGibbon)—and I am pleased to call him my friend—comes along and says this as reported on page 698 of Hansard:

There we see again the baneful influence of this government, and how its policy is going to strangle the woollen industry and possibly drive more mills out of business. I ask you, Mr. Speaker, I ask any man of intelligence and common sense, why do we crucify our Canadian industries that are giving work to our own people? For the life of me I cannot understand it.

Very fortunately the hon. member for Rosetown (Mr. Evans) came to the rescue and he says, as reported on page 737:

Taking it altogether, this budget is a rich man's feast. The money cost to the public through trade penalties has not been at all lessened, and the moral hazard has not been abated in any way. . . .

The parliament of Canada is the highest court in the land, the place from which one would suppose justice would emanate for all alike, but the present government, after having taken every possible means to inform themselves on the evil system of trade penalties, now come forth with a budget in defiance of that knowledge. This has given a direct challenge to the primary producers and workers of this nation; it has challenged the farmers to organize for political action, and it is even an invitation to the workers to strike for justice. . . .

Again, the farming class of Canada has been farmed by the capitalistic class of this Dominion for the last forty years, and all governments of Canada for the last forty years, irrespective of party, have done the same thing. In this respect the present budget is no different from the budgets which have been presented in former years, but it does stamp this government as being composed of men who are willing to continue the sweated labour on the farms of Canada of our women and children, to say nothing of our men, to swell the profits of those who, through their henchmen in this house, proclaim their indolence—

Pardon me for not finishing the sentence. Immediately after that speech the hon. member for South Cape Breton (Mr. MacDonald) rose and, before starting to discuss the budget, he could not help saying this out of the kindness of his heart:

Having listened to the last two speakers, I rather sympathize with the Minister of Finance. They attacked him from entirely different angles, but I do not think he should have very much trouble in deciding which of the two criticisms is deserving of consideration.

His sympathy was not very practical because he started to do the same thing and abused the Minister of Finance. Then the hon. member for Dufferin-Simcoe (Mr. Rowe) said, as reported on page 830:

The people of this Dominion have been viewing with alarm the attitude of the government towards the manufacturing industries of this country. . . .

The budget may be pleasing to those who are interested in a low tariff: the Minister of Finance calls it a reclassification, but whether you describe it thus, or whether you call it a ratification or a modification or a lowering of the tariff or tariff tinkering, the effect will be the same; it will be felt just as injuriously by industries throughout the Dominion.

The hon. member for Mackenzie (Mr. Campbell) then came forward and said:

The more I examine the budget the more I realize that the tariff is not reduced at all; it is actually raised.

He continued:

To-day I no longer wonder; I am quite convinced from these figures that as between the two old parties the low tariff party sits to our right while the high tariff party occupies the benches opposite, including in their ranks the hon. members from Saskatchewan and Manitoba.

Mr. CAMPBELL: Hear, hear.

Mr. LAPOINTE: He said:

To-day I no longer wonder.

So far as I am concerned I do not wonder any longer why he was not opposed by the Conservative party at election time. The hon. member for Brant (Mr. Smoke), as reported on page 834 of Hansard, said:

If it differs at all, the system of the present government is worse than the Soviet system. As I understand the Soviet system, they confiscate, but do not destroy; they leave facilities for production practically unimpaired, and production still goes on, while by the system adopted by this government capital is entirely destroyed. This government will be known to posterity as bolshevists or worse. No name can more accurately describe it.

Then my good, kind friend, the hon. member for Southeast Grey (Miss Macphail) comes to our help and says:

There is no real reduction in the tariff. No one knows that better than the Minister of Finance.

Shall I quote the hon. member for Brantford (Mr. Ryerson), who said that all the industries were going to be ruined? I am afraid my time is slipping by and I want to say something else. The hon. member for Battle River (Mr. Spencer) said immediately afterwards:

Taking it all in all, a study of the tariff discloses that whatever benefit is to flow from this tinkering will be to the advantage of the manufacturers rather than the consumers of this country.

The hon. member for Halton (Mr. Anderson) said this:

Every time this government change the tariff they stimulate the importation of foreign goods into Canada and thus injure our own industry, while every reduction in taxation is followed by a flow of emigrants from Canada to some other country, in search of work.

This government appear to be implementing their tariff policy of 1919—

Listen to that, my friends over there!

—in which they said they believed in a reduction of the British preference to 50 per cent of the general tariff; I believe the Minister of Finance is at that point now, and in some instances is below the 50 per cent level. I believe he is going still further in the direction of the Progressive policy of free trade with England; at any rate, he is nearing the point where we shall have a tariff for revenue only, which appears to be the Liberal policy to-day. Not only is the minister making reductions in the general tariff; he is also going around to the back door and giving preferential treatment to certain favoured nations something of which the people are scarcely aware.

Then my hon. friend from Peace River (Mr. Kennedy), speaking in this debate a day or so ago, said:

The tariff schedules as proposed by the minister are planned, in my judgment, to help a few large manufacturers at the expense of the general public, and the smaller manufacturers, especially those manufacturing hats and caps.

He said something else, but I have to proceed. I could not catch all that was said yesterday by my hon. friend from Wetaskiwin (Mr. Irvine), and I must ask his pardon for that. I know that some of my friends here were alarmed at the reductions in the tariff, but my hon. friend from Wetaskiwin last night said that such a refusal on the part of the government to do what they should do in the matter of reductions in the tariff was conducive to a bloody revolution of some kind or other. My hon. friend said at the time, I remember, that the charges made by the Conservative party during the last election campaign against the Liberals, and the charges made by the Liberals against the Conservatives, were both true. I may say to my hon. friend that obviously the two contradictory expressions of opinion that I have just read, coming from different parts of the house, cannot both be true. As a matter of fact, I think they are both untrue. We have reduced the tariff, and we have not ruined any industry.

May I say, Mr. Speaker, that an offensive carried on by such opposing forces can only be of a negative and destructive character, and if they could succeed, what would be the result? If they could paralyze the government of the country at the present time, what could take its place? Such methods of warfare, if victorious, would transform parliament into what I might call a crystallized deadlock. We are attacked from both sides in that contradictory manner because we are

here representing the whole of the people of Canada. We are entrusted with the duty of considering and dealing with the interests of the whole people at large, and not of any one class or of any one section of the community.

I would not like to say anything unpleasant to my friends in the extreme corner of the house. Reference has been made to the session of 1926. Let me tell you, Mr. Speaker, that I shall always cherish the memory of that session of 1926. It began well; it proceeded well; and it ended well; and the election that followed also ended well. We had co-operation with hon. gentlemen over there which was above-board, and I can only say that, so far as I was concerned, I was always pleased with the relations that we had with those hon. gentlemen. I have more in common with them, so far as big policies are concerned, than I have with my hon. friends immediately opposite, and if we had to run this country on the basis of groups, I think I would try to qualify in the farming community in order to be with them rather than with other hon. gentlemen in this house. But I do not believe in that form of government.

An hon. MEMBER: You have it over there now.

Mr. LAPOINTE: My hon. friend the alarm clock over there might perhaps listen to me. I do not believe in class or group government. You cannot represent the mind of the nation as a great world entity on the basis of functions or occupations. A member of parliament must impress upon himself or herself first the duty of thinking in the interests of the community as a whole, and then of his or her trade or class interest as it is not inconsistent with the interests of the whole nation. Mere class or occupational representation, as advocated by my hon. friend from Southeast Grey (Miss Macphail), is the reverse of such principle, and impresses upon a member that his or her trade is his or her politics. It is organized selfishness.

May I add that when members of a party or of a group are not in power, and in fact are not likely ever to be in power—I do not mean this offensively at all because they themselves have said that they would not like to be in power—it is easy to propound all sorts of cures for every evil, real or imaginary, without any risk of having to apply the prescription. They preach knowing that they will never be called upon to practise. They may score occasionally, but they will forgive me for saying that there is no great glory in the success achieved by that method. As those of us who speak the French language say, "La critique est aisée, l'art est difficile." We have a huge country. We have sectional interests which are not identical, which, in fact, in many cases are widely different. Those who are entrusted with public functions are trustees, not for one class, not for one section of the country, but for the whole people and the country at large, and it is their duty to try to find what are the causes of divergence of opinions and even of interests, and try to find, if possible, the concessions which it may be desirable to give or to obtain.

Some members have said that they are sick of the word compromise. Mr. Speaker, compromise has been the policy upon which this country was built. The confederation of Canada is based upon compromise; it could not continue without compromise. The British Empire is founded upon a compromise. The peace of the world is based upon compromise. It is impossible for any group or for any association, nay, even for any country, to get its own way in all matters. There must be compromise with others. That is the only way to achieve success.

Now I come to my hon. friends directly opposite. I have made allusion to the Winnipeg convention. With many of the resolutions adopted there I would not agree, but one act of the convention I commend—the choice of the party leader. They selected a fine leader, a man of courage and strong convictions, and well able to express those convictions. He is an excellent type of Canadian manhood. Having said that, he will forgive me if I express my disappointment that he did not as a first assertion of strong Canadian leadership put an end to the campaign carried on by his party during the last few years against Canada, Canadians and conditions generally in this country. I was hoping that he would discountenance his followers in their campaign of belittling and misrepresenting Canada in the eyes of the world. Why glorify the United States at the expense of Canada? Why should hon. gentlemen describe the United States as a land where young Canadians can find gold and honey while here they meet taxes, unemployment and starvation? Sir, we do not ask from them fair play for the government, we do not ask for even elementary justice; let them ascribe the progress and prosperity of the Dominion to Providence if they prefer to do so; but we do ask them not to say anything that may hurt the name and the credit of Canada. It might not be out of place for the committee which is going to study immigration to make a recommendation in that respect.

But, Mr. Speaker, it is not true that Canada has any cause to envy other countries, and certainly it is not true that Canada has any reason to envy the United States. I need only remind you, sir, that it was not until the United States had a population of seventy-five million that their total trade was equal to that of Canada's to-day. Recently I came across an article in the organ of the Canadian Manufacturers Association, Industrial Canada, written by Mr. Alex. Marshall, who is manager of the Commercial Intelligence Department of the association, in which he deplores this tendency. I should like to quote the whole article, but my time is vanishing rapidly and I must content myself with these few words:

Just take a look at the other side of the picture for a minute. In leather, United States exports forty-one cents per capita, Canada ninety-seven cents. In meats, United States exports eighty-two cents, Canada $2.77. In wheat and flour, United States exports $2.36, Canada $39.97. The Canadian gross total is fifty per cent greater than the United States gross total. In copper and its manufactures United States exports $1.17, and Canada $1.46.

Here is another extract:

The total per capita exports of all lines from the United States is $39.62, from Canada, $122.57.

If you want the gross totals for all industries I have them in this article:

$4,771,000,000 for United States, $1,225,000,000 for Canada. Canada is one-twelfth in population as compared with the United States, and one-fourth in exports.

I have an editorial before me which appeared in The Chronicle, a publication by banking, insurance and finance of Montreal deploring this campaign, but I have no time to read it. I also have under my hand Bradstreet's of last week as to the conditions of unemployment in the United States, confirming the reports of widespread unemployment made by state labour bureaus, unemployment agencies and relief organizations at various places. The employment index compiled by the Bureau of Labour Statistics of the Department of Labour for January fell to the lowest point for any month since April, 1922. The index number was given as 84.2, a drop of 1.1 per cent from December and of 5.5 per cent from January a year ago. The Bureau of Labour Statistics' index of payroll totals for January was 85.8, a decrease of 3.9 per cent from the preceding month and of 5.5 per cent from the like month a year ago. This was the lowest point reached by the payroll index since August, 1924.

Mr. DUNNING: In the United States.

[Mr. Lapointe]

Mr. LAPOINTE: In the United States. But my friends over there say: We are carrying on this campaign for the purpose of attacking the fiscal policy of this government. One of their arguments to which I wish to address myself is that Canada is the only country in the world that has reduced its tariff since the war. They are right. And we are proud of it. They claim that eighty countries have raised their tariff—they may be right—and that Canada has adopted what they call "the foolish policy of tariff reduction." I repeat, we are proud of it. But is that a foolish policy? Mr. Speaker, the League of Nations at its assembly of 1926 decided to summon an economic conference of all the nations of the world. The reason given, as I read it, was:

The assembly of the League of Nations declared itself "firmly resolved to seek all possible means of establishing peace throughout the world" and affirmed its conviction that "economic peace will largely contribute to security among the nations."

In the economic conference at Geneva in the spring of 1927 fifty nations were represented. They discussed economic world conditions, and here is what I find in the report of the conference. I will read only a couple of sentences.

Mr. BENNETT: You might read that on the stability of tariffs.

Mr. LAPOINTE: My friend will read it all.

Mr. BENNETT: I have.

Mr. LAPOINTE: My friend complained the other day that the documents concerning the League of Nations are not sufficiently published in Canada. I wish this report might reach every Canadian home.

Mr. BENNETT: Hear, hear.

Mr. LAPOINTE: Let me quote the report:

The evidence before the conference, which is contained in the documentation or in the statements made by the members of the conference, shows that the recovery from the effects of the war has been unduly delayed and that the foreign commerce of all nations is in greater or less degree seriously hampered by existing obstacles to trade.

The conference notes with satisfaction that some of the most injurious forms of obstruction that prevailed immediately after the war have been removed. To this fact must be attributed in part the recovery of world trade which has so far been achieved.

Tariffs, on the other hand, which in recent years have shown a tendency to rise, are for the most part higher than before the war, and are at present one of the chief barriers to trade. The increase in most countries is almost wholly due to higher duties on manufactured articles.

Further, the report states:

The conference recognize that the removal or substantial reduction of customs barriers cannot be brought about suddenly without causing dislocation but it is of opinion that governments should immediately prepare plans for removing or diminishing by successive stages those barriers that gravely hamper trade, starting with those duties which have been imposed to counteract the effect of disturbances that are now past.

In conclusion the conference recommends:

(1) That nations should take steps forthwith to remove or diminish those tariff barriers that gravely hamper trade, starting with those which have been imposed to counteract the effects of disturbances raising out of the war.

(2) That states should proceed to the conclusion of commercial treaties on lines and under conditions calculated to ensure the attainment of the aims mentioned herein.

I read the speech of one of the German delegates who stated emphatically that economic troubles have been the cause of wars in many instances and that blood has been shed throughout the world because gentlemen wanted to have their high dividends kept and preserved.

Mr. CAHAN: That has always been the German excuse for war.

Mr. LAPOINTE: I beg my hon. friend's pardon; I will refer to him in a moment. The recommendation of the conference was submitted at the last assembly of the League of Nations in 1927 and unanimously adopted, and there the Canadian delegate could rise proudly and declare that Canada was the only nation that had anticipated that report.

Mr. CAHAN: The hon. gentleman has never had the courage to—

Some hon. MEMBERS: Order.

Mr. LAPOINTE: I have so much affection for my hon. friend that I should be sorry to excite his ire in any way whatever.

Mr. CAHAN: —to submit these things to parliament for its consideration, instead of concealing them behind the back of parliament.

Mr. LAPOINTE: If my hon. friend desires to make a speech, if he thinks it will conduce to proper parliamentary procedure, let him do so.

Mr. CAHAN: I was merely replying to the hon. gentleman's comment upon my assertion—

Some hon. MEMBERS: Order.

Mr. CAHAN: I say, he has never had the courage to submit to parliament the findings of the conference.

Some hon. MEMBERS: Order.

Mr. LAPOINTE: I am pleased at this manifestation on the part of my hon. friend. Let me tell him that in this, as in other matters, Canada has taken the leadership and we are not ashamed of the fact.

Mr. CAHAN: You never—

Some hon. MEMBERS: Order.

Mr. LAPOINTE: Canada has taken the leadership, I say, in many directions—for instance, in instituting the International Joint Waterways Commission, where the grievances and the troubles arising between two neighbouring countries can be adjusted peaceably. Canada has taken the leadership in many other ways. There are hon. gentlemen who think that we should be riveted to the past. My hon. friend said the other day that the Prime Minister (Mr. Mackenzie King) and the Minister of Finance (Mr. Robb) were intellectually incapable of seizing his point. Well, I know that my hon. friend has great intellectual ability and I admire him. But unfortunately on some questions he is a Tory of the worst kind, rooted in the past, and if I could be instrumental in uprooting him I would feel that I had rendered valuable service to my country. Speaking on the address the hon. gentleman referred to certain imperial legislation with reference to the merchant marine, the Admiralty Act and other laws, and he said: "Gentlemen on the other side want this legislation removed; but what will take the place of these laws?" Mr. Speaker, let me tell my hon. friend that their place will be taken by Canadian legislation, by Canadian laws enacted by Canadian public men and carried out by Canadian public officials for the protection of Canadians.

Mr. BENNETT: With the Canadian navy, I suppose.

Mr. LAPOINTE: My hon. friend, too, is interrupting me. I am sorry my time is drawing to a close, but my hon. friend made certain remarks in a speech in Montreal on Saturday and I should like to discuss them for a moment. He stated, as reported in the Montreal Standard:

Take iron and steel with the vast deposits in this country. When this present government came into power we bought only 37 per cent of our iron and steel. Now plants were closed down and men who should be employed were workless because we bought elsewhere. In agricultural implements Canadians who should be working making them here were working elsewhere and we were importing more and more of these implements. What should be done?

Well, Mr. Speaker, I think that the first thing that should be done should be to relate

the facts as they are. The Conservatives went out of power in 1921. The first Liberal budget came down in May 1922. The fiscal year, ending March 31st of that year, was the last year in which Conservative fiscal policies were enforced. My hon. friend ought to give statistics to these Conservative women in Montreal.

Mr. BENNETT: I will give them in this house.

Mr. CASGRAIN: He paid them compliments.

Mr. LAPOINTE: Take the iron and steel industry of Canada. In 1922 there were 77,077 employees and in 1926 103,510—in 1926, when all these plants were closed, according to my hon. friend.

Mr. BENNETT: I did not say that.

Mr. LAPOINTE: The wages in 1921 were $98,363,983 and in 1926, when conditions were so bad that our people had to go to the United States, they amounted to $137,640,065. My hon. friend referred also to the agricultural implement industry. In 1922—

Mr. SPEAKER: Time.

Mr. LAPOINTE: I am sorry; perhaps I shall have another opportunity to give the figures.

Mr. R. K. SMITH (Cumberland): This is the second time I have had the great privilege and honour in this house of following the eloquent hon. minister (Mr. Lapointe), who has just spoken. I listened with a great deal of pleasure to the first twenty minutes of his remarks—and they were the best part of his speech—in which he quoted extracts from speeches delivered by hon. members on this side of the house. I waited patiently and very attentively to see whether the minister would quote the speech on the budget by the Minister of Immigration (Mr. Forke) either of this year or last. That speech was not quoted and will not likely be quoted by any hon. member opposite because he refuses to speak on these budgets.

I would not undertake to follow in detail the speech of the Minister of Justice, but I might say this with respect to his criticisms of us on our attitude towards the so-called prosperity of this Dominion. I often wonder whether the government of the country, by threats and by attempted ridicule, seeks to gag the members of the opposition for their attacks on its administration of the Dominion's affairs and the country's general condition. I should like to turn back the pages of Hansard—I have never done so, but I am sure I should not be disappointed—and find out just what the attitude of hon. gentlemen opposite was towards the then government when they themselves were in opposition. I am sure it will be found that they were just as energetic and just as strong in their criticism of the Conservative party as we are critical of the government to-day.

Now, Mr. Speaker, in a very humble way I am going to endeavour to answer as best I can some of the statements made yesterday by the Minister of National Defence (Mr. Ralston), and in so doing I should like it to be understood that what I have to say will be said in the very best spirit and with every mark of friendliness and respect for the high position which he now holds, remembering the brilliant lawyer he is and the gallant soldier he was. The minister commenced his speech by a reference to the bounty on steel in Canada, and I would base my comments on the reference, which will be found in yesterday's Hansard. The minister said:

> It is suggested that the steel industry has gone to the demnition bow-wows because of the fact that there was a drawback put on the duty on agricultural implements. I want to remind my hon. friend—

Referring to the hon. member for Pictou (Mr. Cantley).

> —that the steel industry in Nova Scotia never got its real foundation until the legislation of 1897, which was introduced by the Hon. Mr. Fielding in this house, and I think he will also agree with me that from that time on the steel industry in Nova Scotia prospered. Mr. Fielding gave assistance to the industry first in 1897 for a period of five years. In 1899 this assistance was made continuous for another five years, but at a diminishing rate.

I want to say that Mr. Fielding did not give the first assistance to the steel industry in the province of Nova Scotia in 1897. The first assistance to the steel industry by way of bounty was given in 1883 by the then Conservative government, and these were further extended in 1894 and, I believe, in 1895. It is quite true that after the Liberal party came into power in 1896 there were more generous increases made in connection with these bounties in the budget of 1897, but that was only after a slashing cut had been made in the tariff on iron and steel—as one hon. member says, a cut of 50 per cent. These bounties were to take the place of that cut, as was explained at the time by the then Minister of Finance, but they were to last only for five years, starting at a certain level and gradually diminishing. The tariff was always sure and dependable, and the steel industry knew exactly where they stood, but under these bounties they could not be certain of their protection. It is true that the bounties were

renewed from time to time by the Liberal government, but, in 1911 the then Minister of Finance, Mr. Fielding, stated that the steel industry of this country had reached the point where bounties were no longer necessary, and that as they expired they would be abolished. I find that in the session of 1911 a question was asked by a member of the house in this connection, to which an answer was given by Mr. Fielding. This will be found at page 6614 of volume 4 of the debates of the House of Commons for the session of 1910-11, and is as follows:

I would like the Minister of Finance to make some plain statement with regard to the renewal of the bounties on iron and steel wire, rods, et cetera. I listened with a great deal of interest to his utterance this afternoon upon that question. Rumour has it, and one cannot turn a deaf ear altogether to rumour, that the minister has under consideration the renewal of these bounties. I would ask him, as he did not make himself very plain upon that subject this afternoon, and did not even mention that he had under consideration the renewal of these bounties, if he would make a plain statement as to whether he is considering the renewal of the bounties on iron and steel and if so when he proposes to make a statement to the house upon that subject.

To that question Mr. Fielding replied as follows:

The bounties on a number of articles of iron and steel expired on the 31st of December last past. The bounties on iron rods will expire on the 1st of July ensuing. There is no intention on the part of the government of renewing them.

Mr. Fielding also stated that the bonusing of the steel industry had not cost the Dominion treasury one dollar through these bounties; the extra duties which were collected more than offset the amount the government paid out in bounties, and I think he mentioned two places in particular, New Glasgow and Sydney where these duties were collected which substantiated this statement. I should like the house to know that these bounties were not inaugurated by the Liberal party at all, also that in 1911, as stated by Mr. Fielding, the policy of that party was to abolish the bounties. The steel industry in Nova Scotia received its start and commenced to grow under the Conservative policy. It is true that it expanded later on, as all other industries usually do in course of time, but the real credit for giving this industry a chance to start must be given to the Conservative party. If any hon. member of the house is particularly interested in the question of the bounties on steel, I would refer them to a question answered most fully in the senate debates of February 27, 1912, in which is included a complete table of the bounties granted, to whom the money was paid and how long they were continued.

The Minister of National Defence also made reference to the fact that the maritime provinces lost their best chance when they turned down the reciprocity pact of 1911, and I am speaking now with particular reference to coal, because other hon. members on this side of the house will deal with the fisheries and other matters. Coal is an important and basic industry in the province of Nova Scotia, as you all know, and is on the free list in the United States under the Fordney-McCumber tariff of 1922. As hon. members know, however, an exception is made with reference to countries which have tariffs against the United States as we have; the United States tariff will seek the tariff level of those countries. In this connection I would refer anyone interested to paragraph 1548 of the United States tariff, page 76. We have the same opportunity now to take advantage of reciprocal free trade in coal with the United States that we had in 1911 in other natural products if we wish to take it, and wipe out all duties. I ask the government, and I ask the Minister of National Defence, whether they or he would be in favour now of wiping out the duty on coal, thereby allowing American coal to enter Canada and our coal to enter the United States free of duty. That weapon is in the hands of the government; they could inaugurate such a policy immediately. I hope they will not do so, because it is our policy to secure an increase in duty for the industry, and I hope that some day we shall get it. It is within the power of the government to have free trade in coal between Canada and the United States, if they so desire. I ask the government, would they adopt such a policy to-day? They say we did not do so in the reciprocity election of 1911 in other natural products, but will they do so now with regard to coal? I ask the question in vain; there is no answer.

Mr. GUTHRIE: It is a very hard question for them to answer.

Mr. SMITH (Cumberland): The Minister of National Defence mentioned other things with respect to the steel industry, and what was to be done under the Duncan commission report. We were led to believe last year when the Prime Minister (Mr. Mackenzie King) made a statement in connection with the report of the Duncan commission that the report of that commission would be implemented in its entirety. That was the impression that was conveyed to all of us and to the country, and the phraseology adopted by the Prime Minister at that time certainly

led me to that conclusion. But I drew the inference from the speech of the Minister of National Defence yesterday—I do not wish to misquote him in the least, and if I am making a misstatement I want to be set right—that the government had not made any commitments with respect to implementing the Duncan commission report in that connection; that there has been no definite promise in that regard, and that no serious consideration will be given to the question of bounties on steel, as recommended, until certain conditions are met and adhered to. That, Mr. Speaker, is the impression I gained from the minister's speech and I hope it is wrong. That is certainly not the impression of the people of the maritime provinces, it was not the impression I gathered last session when this matter was under discussion. We expected that when Besco was unscrambled, and when some particular group had secured control of the affairs of the company so that it could be properly managed, something would be done for the steel industry by way of a bounty as set forth in the Duncan commission report.

The Postmaster General (Mr. Veniot) made a very straightforward statement in the city of St. John on the eighteenth of last January when he said that the matter of a bounty to the Sydney steel plant would be divulged in a few weeks in a manner that would make every maritimer proud. What are we to understand from these two statements, that of the Minister of National Defence, and that of the Postmaster General to which I have just referred? Are we to understand that nothing will be done for the steel industry in the province of Nova Scotia before certain conditions are met and adhered to as set out yesterday by the Minister of National Defence or are we to understand, as stated by the Postmaster General, that something will be done in the very near future that will make every maritime province citizen proud? These are the things we should like to know, and we have a right to the information. There are conflicting statements between two ministers of the crown on this important matter and it is scarcely fair to these gentlemen themselves, to say nothing of the people in the maritime provinces, not to have a decisive answer from the government in this connection. There never was a time in the province of Nova Scotia when the steel industry needed assistance more urgently than it does to-day, and resolutions in favour of such assistance are being passed by public bodies throughout the province. Boards of trade are taking the question up and forwarding resolutions to the government. Hon. gentlemen opposite blame us for weeping and wailing in connection with the question of maritime rights. Do they expect us simply to come here and have our pictures taken, or do they think we should give expression to the thoughts and the wishes of the people of Nova Scotia who sent us here? We are not going to be gagged by any talk of that character, which is nothing more or less than a cheap variety of balderdash. One of the resolutions referred to was passed by the Lunenburg board of trade, and you would be surprised to know, Mr. Speaker, that the president of that body, who signed the resolution calling upon the government for immediate action towards implementing the recommendations of the Duncan commission report, is none other than the president of the Liberal Association for the province of Nova Scotia. A copy of this resolution has been forwarded to the Prime Minister, the Premier of the province of Nova Scotia, the member for Antigonish-Guysborough (Mr. Duff), the member for Queens-Lunenburg (Mr. Ernst) and others. Another resolution to the same effect has been passed by the board of trade in the city of Halifax. While in the board of trade at one particular city there may be a preponderance of one political opinion, and in the board of trade of another locality a preponderance of political opinion of an opposite character, I should judge from the resolution forwarded from the town of Lunenburg at least that the majority of the members of the board of trade there are not of the same political faith as those who sit on this side of the house. The situation as regards the steel industry in the province of Nova Scotia is critical; it never was more critical, and the need of government assistance, as I have already said, is urgent. There is talk about prosperity in this country, but men who cannot get employment do not take much stock in that kind of talk.

The Minister of National Defence said yesterday something to the effect that the steel industry in the Dominion could not be so badly off because the Canada Steel Company appeared to be quite prosperous. Quite so. The Canada Steel Company enjoys a protection of between 30 and 35 per cent, in addition to being located at an excellent distributing point where it enjoys easy access to ready markets.

Mr. CANTLEY: And gets a bounty as well.

Mr. SMITH (Cumberland): Yes, a bounty as well, as my hon. friend points out. Down in our part of the country the industry is manufacturing primary steel, not the finished article, and enjoys a protection

of only about 9 per cent. The Canada Steel Company is so situated that it can take advantage of what is called the wave of prosperity, which only exists in spots here and there throughout the country. On the other hand in our part of the country we enjoy no such advantage, because the government has provided no facilities to help us. I think it is the right of those of us who are here as members to place these matters before the house. If we did not do so we would be shirking our duty, especially when boards of trade and others are pressing upon the government to give some relief to this industry, and our functions and duties as members of parliament, particularly those who happen to be on the opposition side of the house, would be, if the government had its way, simply to come into this chamber and sit and listen. In all sincerity I ask the Minister of National Defence (Mr. Ralston), for whom I have the greatest respect and admiration as a man, to see that something is undertaken by the government without further delay to grant to the steel industry in Nova Scotia what was recommended by the Duncan report and what the people of that province thought they were going to get as soon as the British Empire Steel Corporation was in a position where it could be properly controlled.

Another statement was made by the Minister of National Defence with respect to the inflated value of the stock of the British Empire Steel Corporation. It is quite true that the paper value was inflated; the company was over-capitalized, as was admitted by all; but still this was only an inflation on paper. The company never paid any dividends on the common stock and I do not think they paid any dividends on the second preferred stock, so that whatever inflation there was in that company was only a paper inflation. Surely that could not be a reason for refusing assistance. To say that because there was some kind of paper inflation in that company you cannot do anything because it will only be throwing another bone into the ring for somebody to fight for, or placing on the bargain counter something which will further embarrass the situation, does not seem to me to be sound reasoning, and now I think this company is in a position where, if it can get some government assistance, the assistance which was recommended and which the people of Nova Scotia expected it to receive, it will have a chance for its life. If not, I doubt whether it will survive.

In the east we feel somewhat perplexed and have rather gloomy apprehensions over the government's attitude towards industries in eastern Canada. If the government succeed, by the methods which they have been adopting in the last budget, in preserving any sort of co-ordination in this country, they will do something that has never before been successfully achieved in this country by similar tactics and policies. The only benefit that we in eastern Canada derive from this budget is a reduction in the sales tax, and I admit that we get a little benefit there. There is not in the budget one other thing that I know of by which we in the maritime provinces benefit. We are willing and anxious to abolish the sales tax, to do away with all these taxes that bear so heavily on the shoulders of our working people, and the abolition of the sales tax is the basis of the amendment which was moved by the hon. member for St. Lawrence-St. George (Mr. Cahan). Hon. members opposite made a great hue and cry against certain Conservative members who voted against the budget in this house a couple of years ago because it contained some good things and, in our opinion, some bad things. I wonder if they will vote to-day for our amendment, which certainly contains a good thing for the working class in this Dominion. It seems to me that it would be a splendid thing to go to the people and say: We have relieved you of a great burden by abolishing the sales tax. I wonder if those same hon. members who were so critical of our attitude then will be with us to-day and will vote for an amendment which we propose. Wait and see. If at least two Liberal members from Nova Scotia are true to form, I think we can get a couple of votes for our amendment.

The question of the coal industry has been so thoroughly gone into on many occasions by different members on this side of the house that it would be a waste of time on my part to take up the matter in detail this afternoon.

Mr. ILSLEY: What is the hon. member's remedy for the situation in respect to the coal industry in Nova Scotia?

Mr. SMITH (Cumberland): If my hon. friend will look at the speech delivered by me on the address, he will find that very point elaborated.

Mr. ILSLEY: Do not elaborate it. Just state it.

Mr. SMITH (Cumberland): I will state it. In the first place my hon. friend has the impression that it is tariff protection alone that we are after in order to cure this situation

That is not the case. The tariff is only one factor, although in my opinion it is the most important factor. We must have a higher tariff on coal.

Mr. ILSLEY: How much?

Mr. SMITH (Cumberland): Enough to shut out United States coal. It may be $1.50 or $1 a ton. I remember that my hon. friend last year interjected the remark that a tariff of $6 a ton would be required—that information, I believe, was supplied by the fuel board—to shut out United States coal from Canada; but that did not apply particularly to the coal of eastern Canada; it had especial reference to coal in other portions of the Dominion. Beside the question of an increase in the duty there is the question of lower and still lower freight rates, subventions for shipments west of Montreal and the establishment and government assistance of coking plants that will be compelled to use all Canadian coal. It seems to me that is the basis of a national fuel policy in this Dominion. I was glad indeed to hear the remarks of the hon. member for Inverness (Mr. Macdougall) the other night in answer to the remarks of the Minister of Railways (Mr. Dunning) who said in effect that he did not know just what a national fuel policy was. It cannot be explained in any better way than was done by the hon. member for Inverness a few days ago.

Mr. ILSLEY: Did my hon. friend ever make any computation as to how much the reduction in freight rates and the subventions should be in order to effect what he desires?

Mr. SMITH (Cumberland): I have not made an accurate computation, and the question of the computation is, in my opinion, of secondary importance. The question of shutting out United States coal that comes in and destroys our Canadian market, that puts our Canadian miners out of work that disrupts mining conditions, especially in a province like Nova Scotia, is the question of primary importance. United States coal can be shut out and we should proceed to do that. We can develop a coal market in this Dominion and mine and sell our own coal here, instead of sending over $100,000,000 to the United States every year to buy foreign coal.

Of course, I know that some will say that the coal industry in Nova Scotia is not economically sound. The Minister of Immigration is reported to have so stated in the city of Toronto a few years ago. The simple fact is that if it is said there are mines there which are not economically sound to operate you can say that of every industry in Canada that enjoys the least bit of protection. You could have said that about the great steel industry in the United States when it began. You could have said that the American policy relating to steel was not economically sound in shutting out all foreigners from their market in order to develop the steel industry in that country. You can say that of every industry that enjoys the least bit of protection, but in the long run the industry will develop, with protection just like the steel industry in the United States has developed, to a point where it is not only economically sound, but where it can outdo the world both in price, production, and the marketing of its products. If we develop in Canada a national fuel policy, can any reasonable person doubt but that there will be a decrease in the quantity of coal we import and a corresponding reduction in the price of the product? Last year we imported nearly twenty million tons of coal; we use in Canada a little over thirty million tons. The coal industry in this Dominion represents in money invested about $150,000,000. Are we going to allow this industry, which has been stagnating for years, and which is of a spasmodic character as to its operation to die simply because it is claimed by some theorists to be economically unsound? I think not. I think the lesson of the United States steel industry is as pertinent as anything could be. Give our industry a chance to get on its feet; give it a market for a while to see what it can do. As to its being economically sound or unsound, let us first give it a trial, even if it takes $6 a ton—and it certainly would not take anything like that, but if it needs $1.50 a ton, as was suggested by the hon. member for Pictou, the industry should receive that assistance; and then with lower and still lower freight rates, with subventions west of Montreal, with coking plants established which will be compelled to use one hundred per cent Canadian coal, I think we can hope to revive this industry.

It will be said, what about the British Columbia coal fields? That has been mentioned in this house by the hon. member for Comox-Alberni (Mr. Neill). The British Columbia coal fields sell about half a million tons of coal a year to a district in the United States which is very far removed from the coal fields of that country, and no matter what the tariff was, British Columbia could hardly lose that market, owing to its distance from the United States coal mines and the long rail haul that would be necessary to enable the consumers in that section of the country to the south to get American coal.

Laying that aside for a moment, I make this suggestion—I have not perhaps given it the thought I should have done before presenting it to the house, and I therefore leave it just as a suggestion. In Australia, one of our sister dominions, they have a policy under the Paterson scheme, of bonusing Australian butter to the extent of six cents a pound. I maintain that in this country, if it is necessary to the development of a national coal and fuel policy, and also to the protection of the mines in every portion of the Dominion, including British Columbia, we could well afford to pay the difference between the present duty and what the duty might be when it is fixed at a point high enough to keep out American coal. We must take drastic steps to stop the importation of American coal into this country. The increased importations are alarming; they are mounting higher and higher every year.

Mr. ILSLEY: Is it not true that the coal mines of Nova Scotia produced about one million more tons in 1927 than in 1926?

Mr. SMITH (Cumberland): It is quite true that there has been an increase in the coal mine production of Nova Scotia. That is due in a small part to the gradual regaining of the Montreal market, which was lost during the war. There will probably continue to be a slight increase in the production of coal mined in the province of Nova Scotia because we may regain even a little more of that market, but I say that we should have all of that market, and we have only about half of it to-day. Instead of producing between six and seven million tons a year in Nova Scotia, we should be producing twelve million tons.

The Minister of Justice when he was speaking said, in substance, that the policy of the government was to lower the tariff without injuring any legitimate industry in this country. For his benefit I should like to read a communication which is in direct contradiction to the remarks of the hon. minister. It is a letter I received from the Oxford Woollen Mills, of the town of Oxford, Nova Scotia. It reads:

> We were stunned to read the portion of the Robb budget dealing with the textile industry.

Mr. SPEAKER: Time.

Mr. MAXIME RAYMOND (Beauharnois) (Translation): Mr. Speaker, the hon. Minister of Finance (Mr. Robb) concluded his speech on the budget by advising economy. I think we all agree in admitting that he himself gave the example by his brief speech. In less than thirty-five minutes, he gave a clear and precise statement of Canada's financial and economic conditions; he showed with figures and facts to back it, that our finances were gradually improving and that, generally speaking, the country's affairs were prosperous. His statement, clear as to what relates to the past, optimistic as to the future, is of a nature to rejoice and encourage us.

Even though his speech was brief, it lacked neither value nor interest on that account—he however furnished matter for a long debate, and really I would have hesitated to rise at this phase of the debate, if it were not for the fact that the discussion on the budget proposals affords one of the few opportunities to members who sit in the rear of the ministerial benches to publicly express their views and put forth the suggestions which they believe to be in the general interest.

The study of the budget proposals shows that, under the Liberal administration, which followed those of the hons. Borden and Meighen, the period of deficits gave way to one of surpluses, our credit has been re-established, and from the economic viewpoint, Canada occupies one of the most enviable places among the nations of the world. In opposition to this state of affairs, those who aspire to replace the present administration have had but criticisms to offer and nothing to suggest. It is moreover the candid admission of the hon. member for Fort William (Mr. Manion). Most of these critics have already been answered and I shall content myself with stating that in all public or private administration, the important factor is that revenues should exceed expenditures. That is how we distinguish a good administration from a bad one, and great credit must be given to the present administration for having succeeded in balancing the budget and keeping it balanced, while decreasing our debt and the rates of taxation.

The hon. member for St. Lawrence-St. George (Mr. Cahan) moved an amendment in which regrets alone are expressed. One cannot carry on a government with these, and I confess that simply voting to pass regrets does not move me much. He regrets that the sales tax was not entirely wiped out. Yet, the hon. member is sufficiently acquainted with business methods to know that this total elimination would have brought on confusion in trade and bankruptcy among a great number of business concerns. Therefore, it is not to be thought of or desirable, and the Minister of Finance was quite wise in gradually decreasing it. He also regrets that the government does not find more work for our people. Is he not the one who taunted

the government for having reduced the tariff on automobiles, reductions which increased production and gave more work to our people. Finally, he regrets the unemployment, the emigration of our people and the absence of immigration. As regards unemployment, reports are contradictory; however, I note that it exists among our neighbours, the United States, a country that the opposition often take a delight to cite as an example of prosperity. I read in the Boston Post of February 8 last, that according to the incorporated Labour Bureau they, at present, estimate the number of unemployed in the United States at 4,000,000. As to emigration, it is established that it is gradually dwindling down, and that a large number of those who had left are returning.

However, what may be the case, it is important that we should know the real causes, so that we may be able to apply the best remedy. I shall not discuss the universal remedy of the Conservatives, which is protection; it is to them what Pain Killer was long ago in our rural districts, a cure-all.

The emigration of our people to the United States since 1919, is the ransom of war. Think over it, and you will find that war, the badly managed and exaggerated participation in it, is the principal and real cause of the exodus of our people to the United States. It took from our rural districts the young men to send them either to the battlefields or to cities, in the munition works. After demobilization, a great number who had borne arms, having acquired a liking for travelling and adventure, refused to return to the land. While those who had gone to work in the cities, in the munition shops, found themselves without work. They had acquired a taste for city life, large salaries, luxury, but they had lost the one for the soil, and neither would they return to the farm. Owing to our exaggerated participation, wasteful and unforeseeing administration during that period, when the government carried on simply with borrowed capital instead of taxing war profiteers, trade and business were depressed; we were left with an enormous public debt, our currency had depreciated; while the United States which had entered the conflict a long time after us and in proportion to their means, found themselves in a far better economic situation. Their industries had not been disturbed and their currency was at par. It was then that we witnessed these young men, who had left the land, take the roads leading to the neighbouring republic.

Add to this the vilifying discouraging campaign, and forecasts of ruin by the Conservatives, and you will find therein the principal causes of the emigration of our people to the United States. Our friends in the opposition are rather late in giving the alarm. It is a war debt that we are paying off; it is a sequel to their acts. Note that between 1900 and 1914, United States citizens were immigrating to Canada. Farmers from Kansas, Dakota and Minnesota, had sold their farms at good prices to come to Western Canada and purchase other farms on better terms. A good proportion of the immigration during that period came from the United States.

The best means to stop emigration, and relieve unemployment if it exists, would be to bring the people back to the land. How are we to do it? By a campaign of education: Point out the beauties of rural life; show the advantages of owning property to counterbalance the desire for pleasures which the city offers. Through the efficient help of our public authorities, in establishing farm credits, allowing farmers long term loans to help them to establish themselves on farms, short term loans to purchase live stock and necessary implements, and current loans for the purchase of seeds and fertilizers. Our Rural Credit is a great step in that respect; with experience, it can possibly be improved and provide for all cases of need. Let the government grant, to city people who have previously lived in the country, the same advantages and even more than to strangers; let the government offer to transport free the families of people wishing to settle in the west or in more remote parts of their province, where, with the help of long term loans, they may settle decently and cultivate those lands. Our generosity, I think, should first be extended to our own people.

By teaching the art of agriculture in a way that it can be understood by all, and which includes new and more remunerative methods of farming. Take for instance Denmark, a small country forty five times smaller than the province of Quebec, but with the same population, where they specialize in dairy farming, they have succeeded in increasing the butter production, since 1891, at the rate of 249 per cent, while the number of cows have increased only 29 per cent. Let us give our farmers every possible chance of success.

Let us now deal with the question of immigration, a question both economic and social which should be borne in mind by all those who take an interest in the country's future.

For those who see in the rapid increase of the population, an opportunity to increase

their fortune, the selection of immigrants carries no weight; but to those whose aim is higher and better, who foresee the more populated Canada of to-morrow, co-operating in the common work of civilization, they find matter to ponder over and they advise caution. Hence, two schools: one would open wide the gates to immigrants, the other—and I congratulate the government of belonging to the latter—would restrict immigration.

The vastness and wealth of our country are not questioned, yet our population is not in proportion with our natural resources. How are we to increase it? By natural increase? It would be the best means which could be advocated, it is the normal development of a country; but it is found too slow a method. By immigration? That is another way, but what kind of immigration? To have no restriction would have the effect to draw the scum of other countries, the undesirable, the habitual unemployed, who would come and overcrowd our cities, and who always end by crowding the hospials or jails, and become a charge to society. Moreover, if national unity be considered, the peopling of Canada through the means of an intense immigration, is not desirable. A certain proportion must be kept between natural increase and increase by immigration; time must be given to assimilate the new element.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. RAYMOND (Beauharnois) (Translation): Mr. Speaker, at six o'clock, I was discussing immigration as a means of increasing our population. What population do we wish to increase? Urban or rural population? Our immigration policy should be the one which the interests of the country demands. Now, Canada's interest requires that our immigration policy should develop agriculture.

Is it a question of supplying labour for industry? No. Modern machinery tends to do away more and more with manual labour, yet greatly increasing the output. It is the soil which requires workers. Let our efforts tend in that direction. Let us bear in mind that agriculture is at the basis of the economic life of a country. It is the soil which feeds us. Agricultural nations are, for their existence, independent of men and events, while industrial nations are entirely dependent on both. For instance, look at England, a country seventy-five per cent industrial, with its unemployment crisis. Moreover, prosperity of trade depends upon the purchasing power of farmers. So much said for the economic side of the question.

Turning now to the social and national viewpoint, we still have an interest in drawing to our shores a rural immigration, which is more assimilable and more stable. Those who come to cultivate the land remain on it permanently, it enchains them. The same cannot be said of the workman who roams from one country to another. The foreigner, in the city, is always an unsettled workman. Things are very different with the farmer who builds a home, invests his capital and founds a family. "Farmers", said Bonald, "are rooted to the soil; the others are but placed there."

Since the interests of the country demand a farming immigration, let us seek it where it is to be found. Many would prefer bringing over British subjects. Quite right. But subject to their being of the class of immigrants which we need. I am in no way opposed to British immigration, but let us be logical. When you look for farmers, you do not especially seek them from the most industrialized nation, the one that is the least given to farming. England, far from being able to send over farmers, needs them herself. She has not enough. It is not race that should guide us in such matters, but the personal worth of the immigrants. France, since the war, has become a country for immigrants so as to fill up the voids left and therefore has little to offer in that respect; but we could find excellent farmers in Belgium, Slovakia, an essentially farming country, in Norway whose people have already brought wealth to Minnesota and Dakota. What we need are genuine farmers and not camouflaged ones, and I would suggest that each immigrant entering Canada, should have an identification card, showing his trade, professional or farming occupation, so to keep track of him.

Let our immigration policy be essentially Canadian, founded only on the needs and interests of Canada, and not based on that of other countries. Let us not take the risk of our country becoming the dumping grounds of the globe by opening too wide our doors; let this policy be one of welcome, but at the same time strict, selective of individuals but not of races. To give our country strength and prosperity, we must have industrious, healthy and orderly people, citizens desirous of making Canada their only country, and who, blending with the mass, will help us to make a great, united and free country both internally and externally, composed of various races who, without denying their origin, will give us the advantage of their genius and of their best traditions, so as to form "the Canadian nation" whose English, French,

Scotch, Irish and all other names will but be their christian name, "Canadian" will be their family one.

Mr. Speaker, I now wish to draw the attention of the hon. Minister of Defence (Mr. Ralston), to the proposed increase in the estimates of his department. That is a subject which does not seem to trouble the members of the opposition. I am not aware that we are threatened with war. Quite the contrary, nations are talking of peace, disarmament and are even signing treaties to that purpose. Our geographical situation is an additional guarantee of our security. Why then increase the expenditures of the Department of Defence? Economy is advocated. Quite so. Let us first apply it to the expenditures which are not productive. Let us bear in mind that we have numerous needs, and that we must see to those that are most urgent.

We have voted large sums to develop the west, to help the maritime provinces and to accommodate Ontario. The province of Quebec, I think, has been most reasonable in her requests, notwithstanding the useful, if not urgent work, which the development of her territory necessitates. For instance, the construction of a railway in the Gaspé peninsula is strongly urged, it is needed to open up that part of the country which is rich in farming lands, forests, mines, fisheries and water-falls. It would be unfair to put off the carrying out of these works for unnecessary expenditures.

I am not prejudging the question. When the time comes to discuss in detail the estimates, the Minister of Defence will, I trust, furnish us with satisfactory explanations. For the present I am just calling attention.

The hon. member for East Lambton (Mr. Fansher), by a subamendment, has protested against the cutting down of the income tax. Although I am in favour of the income tax, I believe that gradually, as our revenues and finances will permit, there must also be tax reduction on that score.

However, if the Minister of Finance is willing to relieve every one a little from the burden of taxation, it must have been noticed that he was not disposed to acquiesce to every claim.

Some time ago, a delegation headed by Sir Herbert Holt, president of the Montreal Light, Heat and Power Co., came before the Minister of Finance to request an exemption from the federal tax, in favour of this company, which sells electricity, gas and a number of other things. Many, among those who are not in touch with the affairs of the company, must have been favourably impressed to see Sir Herbert Holt, great financier, director of at least one hundred and thirty five companies, —we are informed by the hon. member for Winnipeg North Centre (Mr. Woodsworth)— leaving his business to come and plead, not in his own behalf or that of the company of which he is the principal shareholder, but in favour of the poor consumer of the city of Montreal, who may be a victim of an injustice. He even pledged himself to have the consumer benefit from the exemption of this tax. What a laudable act! In his annual address, at the general meeting of the shareholders of the company, on the first February last, he also requested the federal members to use their influence to have this injustice cease.

The hon. Minister of Finance, after giving the matter due consideration, did not think proper to agree to their request and the day following the budget, Mr. Norris, vice-president of the company, proclaimed again that it was an injustice and appealed to all the citizens to protest. Let us examine, with your permission, the grievances invoked, and let us judge if there is an injustice done and if so, by whom was it committed.

The injustice would appear to come from the fact that the Ontario Hydro-Electric Company, which sells electricity in Ontario, pays no income tax. That is a fact, it pays no taxes, for the very good reason that it makes no profit. If the Montreal, Light and Power Company will do likewise and sell its electricity at cost price, it will not pay any tax. That is my first point!

There are in Ontario other private companies, for instance, the Ottawa Electric Co., which sell electricity and pay an income tax. Why should the Montreal Light, Heat and Power Co., not pay its income tax then, and where is the injustice? That is my second point!

The Montreal Light, Heat and Power Co., does not only sell electricity to the citizens of Montreal, but it also sells some to the United States, through the intermediary of the Cedar Rapids Co., of which it holds the capital stock, and it thus realizes profits. Why should it not pay taxes on this revenue? And where is the injustice? That is my third point!

The Montreal Light, Heat and Power Co., does not only sell electricity, but it also sells gas, and if I am not mistaken, it sells to the poor Montreal consumer, four or five times more gas than electricity. The Hydro-Electric does not sell gas. All companies that sell gas in Ontario are privately owned and pay income tax. Why should the Montreal, Light,

Heat and Power Co., not pay the income tax then? And where is the injustice? That is my fourth point!

The Montreal Light, Heat and Power Co. does not only sell electricity and gas, but it also carries on other business. It sells coal, stoves, lamps, toasters and other goods. It has even a number of stores in Montreal and elsewhere. All commercial houses in similar business pay income tax. Why should the Montreal Light, Heat and Power Co. not pay also her income tax and where is the injustice? That is my fifth point!

Not only that: Look up its financial statement for 1927, you will find that it has in its assets nearly $15,000,000 in investments, on which it draws revenues. Why should the Montreal Light, Heat and Power Co. not pay income tax on those revenues like all others, and where is the injustice? That is my sixth point!

If we were to exempt the Montreal Light, Heat and Power Co. from the income tax, to be fair, we would have to exempt the private owned companies of Ontario and elsewhere which sell electricity; to exempt all companies which sell gas; to exempt all merchants who sell coal, stoves, lamps and other articles that the Montreal Light, Heat and Power Co. sell —why not then all merchants—to exempt all those whose revenues are the outcome of investments. In other words, we would have to wipe out the income tax.

The president and vice-president mentioned a very high figure, representing the income tax paid by the company, and the impression gathered from this statement, was that the tax was collected on the sole profit realized on the sale of electricity in the city of Montreal, which is not so. Deduct all the profits which it realizes on the sale of electricity to the United States, on the sale of gas, on the business of the various articles which it sells, on its investments for an amount of over $15,000,000, and you will see that the amount of income tax which it really pays, in regard to the electricity which it sells to the Montreal consumer, is not very high.

I do not doubt the sincerity of those who accompanied Sir Herbert Holt when they interviewed the Minister of Finance, to request the exemption from the income tax, but when we are aware of the manipulation carried on by this company for the last twenty-five years: increased capital, splitting of shares, change in name and juggling with figures, we have a right to question the motives of Sir Herbert Holt and his company and not put it down to philanthrophy.

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

Are you aware of what profits were distributed among its shareholders within the last twenty-five years? It is the direct successor of the Royal Electric Co., which was doing business ,in 1901, with a capital of $3,000,000; the latter's stock with the help of a good deal of "water" was diluted to the amount of $63,000,000. Through transactions carried on by Sir Herbert Holt, and share splittings, any person holding in 1901, a hnudred shares in the Royal Electric Co., for which he is supposed to have paid $10,000, now without having disbursed an additional cent, is holder of 2,250 ordinary shares, which on the stock exchange are quoted at $90 per share, and are worth $202,500, without mentioning a bonus of 750 preferred shares distributed in 1926, and which the company repurchased at $50 per share, that is $37,500, beside all the dividends paid to that shareholder since 1901, at a rate varying between 8 per cent and 60 per cent, on his initial investment. The profits of that company are so large, that it is obliged to conceal them under the guise of contingent funds: $500,000, insurance funds; $1,000,000, depreciation funds, indefinite amounts; investments and call loans about $15,000,000. Its current assets for 1927, exceed by $6,000,000 that of the year 1926.

If you now look up the financial statements of the company, you will note that each year, the president, Sir Herbert Holt, never forgets to state in his yearly address, "that the practice of the company is to share the profits with its consumers and to sell its products at a minimum rate, and he always hopes that, if business continues good, the consumers will, in the near future, be given lower rates." As you can readily see, the sharing is not with the consumer, but to his detriment. I think that the consumer has a better guarantee of getting his share of the tax paid on the sale of electricity in Montreal by the company, when the money is safely in the hands of the government.

That is how the company deals with the citizens of Montreal in regard to profits. Now, let us examine rates and see how it expresses its sympathy to the Montreal citizens.

Its sympathy consists in selling to the citizens of Montreal, electricity at the rate of 3½ cents per k.w.h.; while it sells it to the citizens of Westmount, at the rate of 2 cents per k.w.h., that is to say 75 per cent dearer to the Montreal people. The Ottawa Electric Co. of Ontario, which pays the income tax, sells its electricity to the consumer at the average rate of 1¼ cent.

Its sympathy for the Montreal people further consists in offering electricity, for industrial purposes, at the rate of $15 per h.p., to the Ontario Hydro Electric Co., which resells it at $22, while the former sells the same electricity to Montreal people at the rate of $35 per h.p.

Its sympathy also consists in exporting to the United States, through the intermediary of the Cedar Rapids Co., of which it is the sole stockholder, electricity at a lower rate, that is $12 per h.p.

Its sympathy is still further expressed by forcing the consumer to lend it money, which amounts, at present, to $800,000. Are you aware that a Montreal citizen can neither purchase gas nor electricity without first depositing $5 or $10.

That is its sympathy for the poor consumer. This deposit remains there until the discontinuation of the service, that is to say until his death. And what interest is he paid? Three per cent not yearly, but only when the deposit is withdrawn. Instead of borrowing money at the rate of 5 per cent, it forces the consumer to lend it the money at 3 per cent, and if you figure out what $800,000 represents in interest, you may judge what amount it holds without interest at the expense of the poor consumer.

I think you will admit that Sir Herbert Holt and his company, the Montreal Light, Heat and Power, are not entitled to pass as benefactors to the consumer, and you will not be astonished that the Minister of Finance did not seriously consider their request. When the government collect in the way of taxes, a small part of the profits which the company makes, they remedy, in a slight measure, the injustice that the company does every day to the Montreal consumer.

Mr. DAVID SPENCE (Parkdale): Mr. Speaker, I have listened to a great many speeches in this house and I must confess that many of them have been of a high standard and a constructive nature. I am sorry that my lack of ability will not enable me to preserve that high standard, I not having had much experience in speech making. I congratulate the hon. member who has just sat down (Mr. Raymond). He will be happy now —I wish I were in his shoes.

[Mr. Raymond.]

I congratulate also the hon Minister of Justice (Mr. Lapointe). We all recognize his wonderful ability and appreciate his power in this house. I love indeed his sense of humour, and maybe his sarcasm at times. However, notwithstanding his contention that the government has not ruined Canadian industry, may I say that it has. And when you ruin industry you ruin the business world, of which I have some knowledge. Why, the government has tried to control operations both domestic and foreign, by land and by sea. A few years ago you will remember, sir, the government attempted to put a fleet of boats on the ocean to compete with the merchant marine of the world, and so cut down freight rates for cattle and wheat, in order to make our honourable farmers believe it was doing something for them. Well, sir, you might as well try to fight a battleship with a canoe as put into commission the class of boats the government intended to subsidize in its attempt to cut down ocean freight rates, and had it not been for the members on this side of the house putting up a strong and vigorous objection, the country to-day would be losing thousands of dollars in that hopeless enterprise. Undoubtedly every time you attempt to change the old channels through which business has been done successfully for many years, you are interfering with business and upsetting the business world.

Now, Mr. Speaker, hon. members on the government side argue that we of the official opposition are the cause of the people leaving Canada. May I say, sir, there is nothing to it. Canadians who to-day are on the American side have every confidence in the Conservative party. During the election of 1925 in my own riding I read many letters from parents of young boys and young girls who were working in the States praying me to do everything possible to defeat the King administration. I said a moment ago that the Canadian people have demonstrated their faith in the Conservative party. As proof of my statement I point to the fact that during the month of the general election in 1925 and for the eleven months following more of our people returned to the Dominion than in any similar period since, and of those more than 40 per cent came in the eleven months after the election, from November to the September following. That shows whether or not the people have absolute faith in the Conservative party. So why should we not stand up here and tell the truth to the people? Why should the people be humbugged and camouflaged?

I do not intend to worry the house with figures or statistics. Figures sometimes lie, and statistics are not always correct. My

intention is to make some observations regarding the present administration, observations which may be considered in the nature of criticism. First, I wish to congratulate the government on having in the party a minister so capable of manipulating the budget that it is said to be supported by all classes of people. But the present budget, just like its predecessors, is gotten up for the express purpose of keeping the party in power, regardless of conditions throughout the Dominion. What we need to-day is a business administration, instead of a government that seizes every opportunity to evade responsibility. Since 1921 we have been getting government by special commissions and special committees too numerous to mention, at considerable cost to the country. Of course the administration has always seen to it that a majority of its supporters were placed on each special commission and special committee so that they would report as directed, that majority being in sympathy with the government's proposals. It is simply humbugging parliament and the Canadian people. Barnum once said that you might fool some of the people all the time and all the people some of the time, but you could not fool all the people all the time. Well, that is the only thing this government has succeeded in doing. Instead of wasting so much time concocting and manipulating schemes in connection with the budget purely for the purpose of keeping themselves in power, why do the government not submit a program of constructive ideas, some satisfactory agenda for the consideration of parliament? This may be considered radical coming from the Tory side, but let me say right here that I am no politician; my interest is Canada first. I do not believe in playing politics too much, and there is altogether too much politics played, particularly on the other side of the house. What we need is something that would enable us to make the best of our opportunities and not to throw away all our chances of promoting the prosperity of this country. I am confident that if the government took the members of this parliament into their confidence and asked for suggestions and advice as to the best means of promoting the welfare of Canada, the members on this side of the house would offer such advice in all sincerity, and the government would benefit more by that advice than they do from that of ministers in charge of departments. If the government are not directly asked for information they will scarcely volunteer it. That is the way politics has been played in the past at any rate.

The budget presented by the government this year seems to have acted as an opiate on hon. members on the other side of the house; most of them have been lulled to sleep and have slept until yesterday and to-day. The first evidence of any real pep that we have so far seen on the other side was injected into the debate to-day by the Minister of Justice. Are hon. members opposite afraid to offer suggestions or make demands of their party leaders? Hon. gentlemen on the other side apparently are satisfied simply because the Minister of Finance (Mr. Robb) has made certain statements which are supported by the Minister of Justice, the ablest representative of the government. I am not at all decrying the ability of the Minister of Finance, but the budget contains no suggestions that will make for the development of the country. It seems to be altogether of a destructive character.

I am going to offer some suggestions by way of a new system of obtaining information and of ensuring our rights as representatives of the people, and I hope the government will consider these suggestions. Why should not members of this house have an opportunity this year to express their views regarding the development of the St. Lawrence waterway? Why, and what is the reason? Where is the hidden hand that has prevented us from discussing that question? I have an idea myself as to what we may expect, if not in the near future, certainly at some time, and hon. members may well wonder what will happen. Again, what is to prevent the government giving some assistance in the building of good roads through a contribution each year? And for purposes of exploring and developing the natural resources of this country a stated amount should be included in the estimates annually. That is the sort of system which would be followed in the conduct of business anywhere, and some business tactics should be adopted in government as well as in business administration. We should have also some sound system of immigration and colonization whereby we might retain our own Canadians and provide them with employment at home. If the government would only seek information and advice on this side of the house they would benefit considerably more than by indulging in criticism of the opposition. We have a serious problem to face in our endeavour to keep our Canadians in Canada. I say to hon. gentlemen opposite, "You are the government and you should do something. You are in power; we are not." If I were on the other side I would make the same criticism for the con-

sideration of our own party. These are all matters that call for earnest consideration.

This government has tinkered with tariffs and meddled with the business world to such an extent that people in business have no pleasure being there; they would sooner get out. The government have made treaties with foreign countries altogether to the detriment of this Dominion. Our negotiators have not been capable in holding their own. If I were on a committee negotiating a treaty with any country and I did not get the best of it, or at least a square deal, there would be no treaty. But in nearly every case our treaties have been to the disadvantage of this country. A treaty is a business proposition and we have a right to get the best deal possible. But we are not building up our trade under the treaties negotiated by this government.

Let me discuss for a moment or two the French treaty—and I will touch only those phases of it of which I know something. That treaty came into effect a few years ago; I will not bother the house with figures because they sometimes lie and I might make a mistake. Well, what have we got from it? The French treaty, generally speaking, has been a bad thing for Canada. I am connected with the fruit business and am therefore in a position to make the statement that this particular industry has been considerably injured by the treaty. Take our cherry business, for example. Since the French treaty came into force the great wholesale extract manufacturers and retail ice cream people have been bringing cherries from Italy and France by the carload and in casks at a cheaper rate than our people can grow this fruit. Many years ago we had a splendid cherry business in Canada, and I know what I am talking about because I have been in the industry for thirty-seven or thirty-eight years. We had a very good market for cherries but since the treaty has been in operation it has practically ruined the trade and the growers can scarcely meet cost of production. A few years ago there were magnificent orchards of Montmorency cherries; to-day they are being cut down with the axe. This is one industry that has been destroyed by the French treaty.

Then there is the silverskin onion business. Silverskin onions used to be a high class commodity for pickling purposes, used extensively by such people as Heinz; but under the French treaty these onions ready dressed for packing in bottles have been coming into the country from Holland at the rate of four cents per pound, while no grower in Canada can produce them at that figure; it takes at least five or five and a half cents a pound to grow this vegetable here. This is the effect which the French treaty has had upon the fruit and vegetable growers of Canada. Is it not clear, Mr. Speaker, that this is too young a country to be making treaties with the older lands? In the last ten years we have developed the silverskin onion business and the requirements of the industry are considerable. It needs great care and attention to dry them if the right colour is to be obtained, and there must be suitable buildings in case of wet weather outside. Obviously, therefore, a great deal of bother is involved, so that the man producing them deserves the best consideration that can be shown him. But owing to the French treaty the business has gone to pieces.

The Australian treaty, too, has been very injurious to this country; we all know what the effect has been on our dairy industry. This industry has undoubtedly been seriously discouraged since the treaty has been in force and eventually it will be wiped out unless something is done and done in the very near future. The sheep industry also is practically ruined.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: Hon. gentlemen laugh, but if they know nothing about business conditions in Canada I can assure them that there are those who do know. Due to the Australian treaty and the consequent lack of protection, the woollen business of Canada has been badly affected. Let me tell hon. gentlemen opposite that even the party who preceded them, the Conservative party, never gave the producers of sheep and sheep products the consideration they should have received; they should have had protection on raw wool years ago. But under the Australian treaty the business is suffering so seriously that it will not be long now before the only thing we shall have to eat will be Australian mutton. We shall not be able to produce a lamb chop in Canada; that will be a luxury reserved entirely for the millionaire.

In 1922 the present government started tinkering with our tariff. They first lowered the duty on textiles and then they reduced it on farm implements, in order to please certain interests and to obtain their support in this house. They then allowed raw material to come in free when used in the manufacture of farm implements, this being done also to please certain interests such as the Massey-Harris people. We all know how famous this concern is and how much money it has cost this country. That was the beginning of the interference with the tariff. At the same time, by lowering the duty on raw materials entering into the manufacture of farm imple-

ments we ruined many factories which made parts for such people as the Massey-Harris Company. We hurt the workers in Canada and no one received any benefit, not even the farmers; those members of this house who are farmers and my hon. friends to my left will agree that there was no reduction in the price of farm implements.

Then this government decided to reduce the duty on automobiles, and they compromised again; you all know what they did, but I will just repeat it. They lowered the duty on automobiles to please their friends in this house, then lowered the duty on certain parts entering Canada and reduced the excise tax, which still held their friends who made automobiles. As you see, they were trying to keep in power all the time regardless of what happened to this country, and all the time they were losing revenue. My own idea is that the simplest, sanest and easiest way to keep this country running is by a customs tariff, and I would eliminate half the other taxes if I had anything to do with it. By tinkering with the automobile business we caused many more cars to be imported into Canada, which naturally reduced employment as well. There again the government followed the same system of knocking down and building up, in the meantime losing revenue.

Then the government lowered the duty on certain lines of cotton goods from 37½ per cent to 30 per cent, afterwards allowing certain raw materials to come in free, which built the protection up to 40 per cent again. I received that information from a gentleman who is in the business, so I know I am making a true statement. The desire of the government, of course, was to please those friends who are in the cotton business by allowing the raw material to come in free and those friends are about the only ones who benefited; no one else could benefit by manipulations of that kind. Then the governnment decided to allow machinery for woollen mills to enter Canada free, when two-thirds of the machinery already in this country is idle. From still another standpoint that is absolutely unfair, because many manufacturers who paid duty on the machinery they brought into Canada will be forced to write off hundreds of thousands of dollars from their capital accounts. That is an absolute injustice to the industry.

I suppose by appointing two plenipotentiaries to foreign countries the government expect to put Canada on the map, but to my mind this is pure vanity and a woeful waste of public money. To me it would seem to be inviting trouble to send a minister from Canada to Tokyo, and I would suggest that the better plan would be to let John Bull continue to represent us.

Our tariff system is antiquated and unsatisfactory. Since the war the whole world has become revolutionized, and there is no reason why there should not be a revolution in our tariff system. Why not adopt a tariff system similar to that in force in the United States? I am glad to see the minister in his seat; perhaps he will consider that suggestion. The hon. member for Fort William (Mr. Manion) gave an illustration the other day of what happened to a mutual friend in Toronto who tried to build up a little business in Detroit. He shipped a consignment of dry goods to Detroit on which the duty was only 50 per cent, but before they were cleared through the customs house, by some system of manipulation, the duty was raised to 90 per cent and my friend in Toronto was forced to pay the return express on the goods. We should have some such elastic tariff system with someone in charge who knows how to operate it. I am not attempting to disparage the present minister, because I think he has done more to straighten out the customs business than anyone else, but I could give you many instances of embargoes which have been placed against our goods by the United States. About two years ago the Americans came to Canada and started to raise the price of potatoes; we wondered what was going to happen and where we were to get our supplies, because they had carloads of potatoes at the border and everywhere else ready to ship into the United States. I was afraid I could not get a sufficient supply in Ontario so I made a trip to Winnipeg, and not satisfied with going into the wholesale fruit and vegetable district I went to the stock yards, where I got in touch with a number of drovers from whom I started to purchase forty or fifty cars of potatoes. I was to complete my arrangements the following day, but when I came back to the Vipond wholesale house I received a wire from my own people telling me to "lay off" the potatoes, that the market had dropped fifty cents and the United States had raised an embargo against them. That is the system they have adopted, and you can never hope to get any business in the United States except the business they do not want themselves. In the yards at Winnipeg there were over fifty cars of potatoes ready to go to the United States, and the people who had bought them lost forty cents or fifty cents a bag; we were left "holding the bag" as usual.

I know something about fruit and vegetables. The fruit and vegetable growers and others interested in the distribution of these

products waited on the government some time ago asking for increased protection. I do not hesitate to use the word "protection" because that is absolutely what I mean, and I understand the Minister of Agriculture (Mr. Motherwell) promised them a seasonal tariff. Did they get it? No, they only got the promise, which they always get from this government. A seasonal tariff, Mr. Speaker, is one which is high during the time when we have plenty of these products in our own country, thus preventing American fruit and vegetables from being shipped over here and killing the market. Then, when our own production is exhausted, the tariff is reduced in any way necessary to give the consumers of this country an opportunity to have a continuous supply of fresh vegetables. At the beginning of our season, however, starting with strawberries and asparagus and running right through the peach season, we should have a seasonable tariff, and I demand that the Minister of National Revenue take this into consideration, because it is the only thing that can save us. Competing as we do with states such as California, Tennessee, Louisiana, Texas, North and South Carolina, Maryland and others, where they grow from one to three crops a year more easily than our fruit growers can produce one crop, I say it is an unfair thing to allow these states to send their products to Canada when our own fruit and vegetables are plentiful, and we have a right to protect that industry as well as the Massey-Harris concern or any automobile factory.

Canada at one time had a fair market for farm produce in the United States, before the Fordney-McCumber tariff went through. I have shipped a good many cars of produce to the United States, and I was always compelled to pay both the freight and duty on every car I shipped. We do not follow that practice in Canada. In the year 1921 we sold the United States farm produce to the value of about $191,000,000, real farm produce dug out of the ground. In 1927, however, we only sold $64,000,000 worth of farm products to the United States, or a drop of almost $130,000,000 in that six year period. Are we to continue our folly of allowing the United States to send fruit and vegetables to Canada without more protection or consideration for the growers in Canada?

Let me remind my hon. friends from the province of Quebec that this applies to their province as well as to mine. Their farms are small and they produce mostly vegetables; their only market is the home market, and if they deplete the population of industrial centres such as Montreal and other smaller places, what will happen to the market? There will be none. The same thing applies to Ontario, starting with Toronto and finishing at Niagara Falls; if the population decreases the market is gone; not only that, but the value of the land between Toronto and Niagara Falls is cut in two. The United States is a great producing country itself, and you cannot get anything in there while they are able to produce plenty of goods for their own market, and as a rule they are always able to do so. Once in a while they find themselves a little short, but that very seldom happens. Climatic conditions affect the production in some parts of the country but if there is a shortage in any particular district shipments are made from another part of the country in order to fill the demand. A few years ago, I think it was in 1918, the United States put an embargo on products coming from Holland, France and England. They would not allow them into the country, and a propaganda was begun there to raise the products in question at home and keep the products of other countries out, thus retaining the money expended on those products in their own country. We should take a leaf out of the United States book.

Under the same heading I will mention something of value to the wholesale trade that we have been asking for for years. It is something which I advocated in this house in 1922 and 1923—I refer to the imposition of a specific duty. What I mean by a specific duty is so much per pound, per crate, per box or per barrel, as the case may be. I pointed out on the occasions referred to that the trouble with the ad valorem duty is that dealers, if they so desire, may get special invoices for customs purposes only. At that time trucking from border points such as Buffalo was common, and there was not much chance for customs officials to check heavily loaded cars. However, that trouble has been eliminated or nearly so by customs checking up closely. Those who imported in car lots found it impossible to compete with the truck system.

For other reasons I still demand a specific duty. Customs regulations to-day are very severe and hard to understand, and the trade is continually getting new regulations which are not understood by those engaged in the business as a whole. Importers are put to a lot of expense and trouble getting advice, and nobody can afford to keep a lawyer on the job continually. No appraiser can give a ruling that is definite, and I may say that this applies to some officials higher up, in fact customs officials differ themselves as to certain rulings. The solution of the problem is to adopt the specific duty which will

eliminate all misunderstanding, and simplify the work at the customs house. Let me give an illustration of this: If you have a carload of any commodity containing any number of packages and the duty is 50 cents a box there can be no misunderstanding. If there is any dispute as to weight the railway freight bill can be used. Therefore I say, Mr. Speaker, a specific duty will lessen the cost and expedite the work of the customs officials. There will not be as many officials needed because the work will have been simplified to such an extent.

I come now to the question of the dumping duty. I am not advocating that that duty should be abolished, but I hate to see the Americans getting the advantage of it. They made many thousands of dollars last year. Take, for instance, a car of California peaches that is quoted to you at a rate of 70 cents. It would be much cheaper in the long run if you were to buy at 80 cents. The Americans know what the fair market value of our product is. They quote you the price of peaches at so much and you might as well take them at 80 cents as pay 65 or 70 cents. It costs you more in the long run if you buy them for 65 or 70 cents than if you buy them for 80.

Then, again, take the purchase of celery or lettuce. You can, we will say, buy a car at the rate of $1 and they will quote you a rate of $1.50. You will accept the latter rate because the trade finds it better to follow the line of least resistance. The other day we had an interview with certain customs officials and we asked for a certain ruling provided the trade carried out all the customs requirements at the point of entry. We asked if we could be guaranteed any protection in the event of meeting all these requirements and we were told "No, you have no protection." I say that there would be none of these difficulties in the operation of the customs regulations if there was a specific duty imposed on all products.

Another matter of which we complain is interference with the old channel through which business has been proceeding. This may arise in connection with a ruling in the customs. If you buy a car of cabbage and it is shipped from the point where it is grown, it is often rolled out on to the railway because there is no place to keep it, and it is kept in movement. The result is that in the case of a car of cabbage the freight from California to Chicago is added to the cost, and then you are charged duty on the freight as well as on the goods.

There is another cause of complaint in the matter of the buying of rolling cars, where the duty is charged on the freight paid. No dealer will buy any more, and this will mean a loss of business to the Canadian national railways because they haul 75 per cent of these commodities which come into the city of Toronto; and the dealers lose as well.

Coming now to the continual claims on the part of the government that prosperity prevails in Canada and that the credit is due to them, I wish to say that if we had real prosperity every one of us would realize the fact. Prosperity comes periodically regardless of governments. I do not admit that real prosperity exists in Canada. There are too many unemployed here; too many failures in the business world, too many mergers and amalgamations, for me to say that we have real prosperity. The boom we hear so much about in large office buildings financed by American capital and promoted by speculative builders is no sign of prosperity. Stock market booming is even a less convincing sign. If we had real prosperity, business men would be using up all their energy trying to keep pace with the increase of business. It is a case of chasing business to-day, not of trying to keep pace with it. I would rather see our factories filled with workers than see our buildings filled with agents selling foreign goods and thus doing our own workers out of jobs, or filled with promoters of all kinds, gambling in stocks that are not sound and that are deceiving the Canadian people. I hope the latter state of affairs is not what my hon. friends opposite consider prosperity. The government claim that they are reducing taxation, but I cannot see how that is the case when taxes collected during the last five years are greater than in the five years previous. That is not my idea of a reduction in taxation.

With all our wonderful resources, with a land flowing with milk and honey, why should this country be lagging behind with a population of nine to ten million people and with not even the ordinary increase in our population? We have the best class of men and women in the world; they are hardy, healthy and they should be happy; they are nearly all educated and fit for any job, but still this government has been moving along in the same lackadaisical way for the last seven years, fooling the people and keeping in power being their first consideration. If people engaged in industry and commerce paid as little attention to their business as this government does to the country's business, they would soon wind up in the poorhouse, but there is sufficient money in the treasury to keep everything going, and the people pay.

Our educational system throughout Canada is fairly good. I know it is good in my province. We are spending millions of dollars in Ontario educating the youth of our country to develop the industries of the United States of America, thus saving Uncle Sam a good deal of money. After graduating from our universities, our boys and girls, for want of an opportunity to make a living, are leaving Canada. This is due principally to the exportation of our natural resources instead of having them manufactured into the finished article in this country. That is something that deserves our serious consideration. Freight rates are higher on the finished article and a distribution of our finished products by our own railways all over Canada would enable our railways to pay their way and employ more people. To-day we get only the low rates on the raw material and that is one of the principal reasons why the railways of Canada are not paying at present.

As someone else has said, I do not want to accuse the government of doing nothing. I wish to commend the Minister of Railways (Mr. Dunning) for his action in diverting the Hudson bay terminal to Fort Churchill in place of Port Nelson. I also wish to thank the government for the return of natural resources to the prairie provinces. If that has not been already done, I hope it will be done immediately.

I am glad to know that the revenue from customs is increasing, due no doubt to a proper administration, and I will say that we are getting proper administration to-day. But that proper administration was brought about by the hon. member for Vancouver Centre (Mr. Stevens) who has made Canada millions of money and who has received no credit for doing so. I will say this—and I know somebody will criticize me for saying it—the Canadian people in this case did not appreciate the hon. member's sacrifice, but this country has reaped a large benefit and now the administration will go on and the customs laws will be enforced by the hon. gentleman who is at present in charge. I did expect this year that the government would assist in the elimination of smuggling by lowering excise duties on cigars, cigarettes and tobacco. We are losing revenue, particularly on cigarettes. I am satisfied that smuggling in cigarettes cannot be stopped and we might just as well make up our minds that we can no more enforce the law so as to stop cigarette smuggling than we could enforce the Ontario Temperance Act in Ontario, when it was the law of the province.

Mr. SPEAKER: The hon. member's time is up.

[Mr. Spence.]

Mr. G. G. COOTE (Macleod): Mr. Speaker, I feel myself at a disadvantage to-night in following two such entertainers as the Minister of Justice (Mr. Lapointe) and the hon. member for Parkdale (Mr. Spence). I must say in all sincerity that with all his humour the hon. member for Parkdale has endeavoured to make some constructive suggestions to the government. The Minister of Justice this afternoon amused the house and himself by reading numerous extracts which eminently suited his purpose to show conflicting criticisms directed at the government's budget from the Conservative and the Independent members of this house. He then declared, I think rather categorically, that the government represented all the people and all the interests of Canada, but he failed to offer for the benefit either of those whom he represents, or of the members of the house, any analysis of the budget or its effect on the people or the country.

Mr. LAPOINTE: I had only forty minutes.

Mr. COOTE: I have been in this house for six sessions and I have never yet listened to a budget debate in which so little attempt has been made on the part of the government or its supporters to analyze the proposals of the budget or to explain just what they mean or what would be their effect upon the people of the country. In fact, as regards receiving any enlightenment from members of the government as to these proposals, the debate might as well have closed the day following the delivery of the budget speech and the vote might then have been taken. I do not however think the time has been entirely wasted. Some very interesting speeches have been delivered and some constructive suggestions have been offered during the debate.

Personally I feel that this budget covers too much ground for me to deal with it in detail in the space of forty minutes. First of all the budget includes a financial statement of the country for the past fiscal year, as well as a statement of the public debt, the railway finances, et cetera. In addition it contains a proposal to reduce the sales tax, a further proposal to reduce the income tax and a proposal to strike out 122 items from the customs tariff schedules and to substitute 159 new items, as well as to strike out 4 items of drawbacks of customs duties and to insert 10 new items. I should like to suggest that it is not necessary that all these proposals should be grouped together and the house compelled to concur in all these matters. I suggest that the financial statement should be given to the house by itself; that the

house should be allowed to go into committee of the whole to consider the statement, or that the statement be referred to the public accounts committee without our having to agree to a resolution which proposes a reduction of the sales tax, a reduction of the income tax and between 160 and 170 changes in the customs tariff schedules. I suggest that if the minister wishes to introduce a reduction in the sales tax, it should be introduced in the ordinary way by resolution to be followed by a bill. The same procedure should be followed in the case of reducing the income tax, and also, I think, in regard to the minister's proposals in connection with the customs tariff. If this procedure were adopted, we could decide each proposal on its merits and the votes of the members would be recorded upon each proposal. But under this budget system, members who are absolutely opposed to any reduction in the income tax are being forced into the position of either voting in favour of the reduction or of defeating the budget, which we all understand means the defeat of the government, to be followed by the dissolution of parliament and a general election. It is unfair to the members of this house that they should be placed in that position. To my mind the democratic and businesslike thing to do would be to introduce each item separately and let each one be decided on its merits. I think the principle which I am advocating underlies the rule which was quoted by the Prime Minister (Mr. Mackenzie King) a few days ago in regard to the motion of the hon. member for Toronto Northwest (Mr. Church), which rule provides that papers shall be called for only on one subject at a time.

The speech of the Minister of Finance in delivering the budget was in my opinion much too short. He was not limited to forty minutes. He gave no reason for reducing the income tax; he dealt with that matter in a very few words. He gave no reason for reducing the sales tax; he dealt with that matter in less than two lines of Hansard. He did not say why the sales tax should be reduced; he did not say why it should not be abolished; he did not say whether it would not be wise to reduce it on the necessaries of life and leave it on the luxuries. I think the minister might also have given us some more information in regard to his tariff changes. As I said before, he has struck out 126 items in the tariff and inserted 169, with scarcely any explanation as to the effect of these changes. He dealt with that subject in one page of Hansard. I repeat, the minister was not limited to forty minutes like the rest of us, and I think he might have enlightened the house in regard to this matter—that is, if he knows just what the effect will be. As these changes have been made, I understand, as the result of the inquiries of the advisory board on tariff and taxation, I suggest that the minister might have the chairman of the board on the floor of the house to act as his deputy when these resolutions are being considered in committee of the whole. I think it as well to intimate to the minister now that the house will need a good deal of explanation in regard to some of these items.

Last year the minister gave as a reason for not making any changes in the customs tariff the fact that the tariff advisory board had not reported on the matters which had been referred to them, and he implied that he would make no changes in the tariff unless and until this board had reported on them. I should like to remind him that this is an advisory board on tariff and taxation, and if he takes the attitude that the tariff should not be changed until the board has inquired into and reported on the proposed changes, why does he take a different attitude in regard to taxation? Has the question of reducing the income tax or the sales tax been referred to the board? If not, why not?—especially as it seems to be the intention of the minister to eliminate both these taxes in the course of a period of years. I notice that when the hon. member for South Perth (Mr. Sanderson) was speaking he said he hoped that next year or the year after the income tax would be wiped out, and he hoped the sales tax would be wiped out entirely next year. I wonder why he did not, as a good Liberal, also express himself in favour of the customs tariff being wiped out, so that we should all be in the happy position of having to pay no taxes, except a little excise tax on liquors and tobacco, which the hon. member for Parkdale (Mr. Spence) wishes to have reduced; and it may be he is quite right.

Mr. SPENCE: And make more money.

Mr. COOTE: But as the hon. member (Mr. Sanderson) did not suggest wiping out the customs tariff, I presume he is in agreement with the hon. member for Parkdale and is in favour of raising all the revenue through the operation of the customs tariff. Surely this is a strange doctrine to be preached by a Liberal. I suggest to the Minister of Finance that he ask the advisory board on tariff and taxation to inquire into and report on the application and the administration of the income tax, as to whether the schedules are equitable, whether they are fair as between different incomes, and whether it is a greater brake on the wheels of business than a tax on

commodities, such as the sales tax and the tariff tax. The income tax has been persistently attacked by an organization calling itself the Retail Trade Bureau of Canada. Personally I should like to know who these people are that operate under that name, and I now invite them to inform the public, and especially the members of this house, whom they deluge with their circulars, who they are, just how many retailers they actually represent, and where they secure the necessary funds to carry on this intensive propaganda.

Mr. GARLAND (Bow River): And how much their incomes are.

Mr. COOTE: I have met very few retailers who are opposed to the income tax. I believe most of the objection to the income tax could be overcome by proper changes in its application. The statement has often been made in this house that farmers are not paying their share of the income tax. I would like to see the advisory board on tariff and taxation investigate very thoroughly the administration of the Income War Tax Act to find out whether the farmers or any other class of people in Canada are not paying their income tax. Personally I want to see the act so administered that all who are liable shall pay.

I should also like to have the board report on the advisability of changing the application of the tax so that taxpayers should be assessed on their incomes over a period of three years. This matter has repeatedly been brought to the attention of the Minister of Finance, but so far we do not seem to have been able to make any impression upon him. We have brought to his attention cases where farmers, and ranchers particularly—there may be others—have incurred a loss in two or more successive years, and the next year, having an income which made them liable under the Income Tax Act, have had to pay the tax although the profit in the good year was not sufficient to make up the deficit in the two previous years. There have been cases where a man has been assessed for income tax whose whole profits from the year's crop have been paid to the bank to cover the deficits incurred in previous years, and where the assessed was unable to borrow money to pay his tax. I have even heard of a case where a man was threatened with suit by the Income Tax department because he had not under these peculiar circumstances paid the tax. I would like to see the board investigate this whole income tax question very thoroughly.

[Mr. Coote.]

I wish now to draw the attention of the minister to one tax which he has overlooked and to a situation which certainly calls for some action on his part. I refer to the excise tax on automobiles. In 1926 the tariff on motor cars imported from the United States was reduced from 35 to 20 per cent. In the discussion which then took place, and which is recorded in Hansard of 1926, page 3663, the late Minister of Customs, Mr. Boivin, estimated that it cost the individual consumer who imported a car from the United States approximately five per cent in addition to the twenty per cent customs tariff. This is owing to the fact that there was at that time in the United States an excise tax of 5 per cent payable by the purchaser of an individual car, and he had also to purchase a license for the car before it could be driven out of the country. The new prices on Ford cars which became effective after the budget of 1926 were 25 per cent higher in Canada than in the United States. Proof of this will be found on page 3663 of Hansard of 1926. On June 7, 1926, the present Minister of Finance introduced a bill to amend the Special War Revenue Act, to provide for the removal of the excise tax of 5 per cent from cars produced in Canada and valued at less than $1,200. When putting through the measure the minister was twitted by his Conservative opponents with handing back with his left hand 5 per cent of the protection that he had taken away with his right hand. In reply, he assured the house that he would not allow the manufacturers of automobiles to take any advantage of this 5 per cent. I will quote his own words as recorded in Hansard of 1926 at page 4133:

> I hold in my hand a letter from the automobile manufacturers of Canada guaranteeing that they will pass this on to the Canadian people, and that the purchaser of a Canadian car will have all this reduction in the excise tax. . . . . I repeat that we have the promise of the associated automobile manufacturers of Canada, of all the manufacturers of automobiles in Canada—it will be found on Hansard to-morrow morning—that they will pass this excise reduction on to the Canadian purchaser,—

I hope the house will take note of the following words:

> —and I serve notice on them now, in the presence of my friends, that if they do not live up to that agreement we will find means of placing them in a position where they will have to do so or meet competition of the world.

I have recently secured information as to the Canadian price and the United States price of certain cars valued at less than $1,200 which are being made and sold in Canada by some of the automobile manufacturers who signed the letter referred to by the Minister

of Finance. I may say that I found considerable difficulty in securing the factory price in Canada of some makes of cars, but I have here the prices of five different makes which are represented among the firms who signed that letter. If I have the permission of the house I will place this statement on Hansard; it is not very long:

	Canadian price	U.S. price	Increase	Percentage of increase
Ford roadster	$495	$385	$110	28.6
Ford coupe	510	395	115	29.1
Ford tudor	640	495	145	29.3
Ford fordor	740	570	170	29.8
Sport coupe	710	550	160	29.
Chevrolet roadster	625	495	130	26.2
Chevrolet touring	625	495	130	26.2
Chevrolet coupe	740	595	145	24.3
Chevrolet coach	740	585	155	26.4
Chevrolet sedan	835	675	160	23.7
Chevrolet Imp. sedan	890	715	175	24.4
Whippet coach	695	535	160	29.9
Erskine six coach	995	735	260	35.4
Chrysler "52" coupe	870	670	200	29.8
Chrysler "52" 2-door sedan	880	670	210	31.3

May I say that this list shows that Ford cars are now approximately 30 per cent higher in Canada than they are in the United States; Chevrolet cars about 25½ per cent higher; Whippet coach—the only car of this make on which I could get a price—29.9 per cent higher; Erskine coach 35.4 per cent higher; Chrysler coupe 29.8 per cent higher; Chrysler sedan 31.3 per cent higher. I think the prices which I have quoted are ample proof that our automobile manufacturers, with the exception of the Chevrolet people, are taking advantage of this removal of the excise tax on Canadian made cars and are not passing the benefit on to the consumer. I have read what the Minister of Finance said he would do under these circumstances. Perhaps I might read the last sentence again just to remind him of this:

> I serve notice on them now, in the presence of my friends, that if they do not live up to that agreement we will find means of placing them in a position where they will have to do so, or meet competition of the world.

I do not expect an immediate answer from the minister, but I do think the house should know what he is going to do about it before these resolutions are disposed of. There seem to be two courses open to him: either remove the tax from imported cars as well as Canadian made cars, or replace the tax on Canadian made cars. If he replaces the tax on Canadian made cars, I think the proceeds should be turned over to the provinces to be used by them in the building of highways. Personally I see no more reason for imposing an excise tax on automobiles than on most articles which are in general use to-day, unless the money is to be used in the building of good roads.

During the fiscal years 1919 to 1927 the federal government has collected in excise tax on automobiles $34,722,000. During these years approximately twenty million dollars has been paid to the provinces to be used in the building of highways. As the federal government does not contribute in any other way towards road building, I think it is nothing but fair that all the excise tax collected should be turned over to the provinces for this purpose. There is no greater need throughout Canada to-day than for improved highways. I believe that is the general opinion of the members of this house. I would suggest to the minister that if he feels he does not need this ten per cent which he is taking off the income tax, he should use it to co-operate with the provinces in the building of a national highway. We claim to have now reached the status of a nation, but we have not a highway on which we can drive from one side of Canada to the other without passing through the United States. This ten per cent of the income tax, if spent on the building of such a highway, would mean a considerable increase in employment and a resultant improvement in general business conditions many times greater than will be secured by the return of the ten per cent to income taxpayers. I am informed that since 1917 the federal government in the United States has granted $650,000,000 in aid to highway construction, while our government has given $20,000,000. I suggest that a good way for the government to celebrate the jubilee of confederation would be to build a national highway from Halifax to Vancouver, and call it the jubilee highway.

Now, Mr. Speaker, I purpose to speak on two or three matters not mentioned in the budget, but they entail an expenditure of a small amount of money. so I presume it

is appropriate to discuss them at this time. In 1925 a bill was passed through this house to give certain relief to the depositors of the defunct Home bank. The bill was amended in the senate, and at a conference between the house and the Senate an amendment was agreed to providing that 35 per cent should be paid on claims under $500, and a further 35 per cent on claims under that amount where the depositors could show that they were in need. Mr. Clarkson, one of the joint liquidators, was called hurriedly before the senate committee and asked on the spur of the moment to give an estimate of the probable amount which would be required to carry out the bill as amended. The amount as finally voted was fixed in accordance with this estimate at three million dollars. Most of this money has been paid out by the liquidators, but it would require a further sum of approximately $450,000 to pay the 35 per cent on claims which were approved. Unless such a sum is provided by parliament some of the cases where the depositors are in need cannot be paid. It is very clear that it was the intention of parliament to provide for 35 per cent to be paid on the class of claims I have already mentioned, and I think this house would be remiss in its duty if it did not make provision for payment of that amount. This is a matter which, under the rules of the house, rests entirely with the government. I am sure that if hon. members were given a chance to express their opinion on this matter free of party control they would certainly vote that the money be paid. I would urge upon the government that this amount be placed in the supplementary estimates so that the liquidators will be able to pay the balance of these claims.

I want to refer for a moment to the meagre salaries paid to some of our lower salaried postmasters. I am informed that statistics gathered by the Postmasters Association show that 10,000 postmasters are receiving from 20 cents to $2 a day, out of which all expenses of office must be paid by the postmaster. At the present time this represents a living wage of from $60 to $620 a year for all the responsibility these people are called upon to assume. The government demands honesty and efficiency in the handling of the mails; yet it pays a salary which is beggarly. An application has recently been made to this government by the judges of Canada for an increase in their salaries. If the judges require an increase then the postmasters require it a hundred times more. A little investigation into the conditions under which postmasters work, and the long hours which they have to put in, would make anyone realize that these men are not being fairly dealt with at the present time. We sometimes see in the press the comments of judges on the meagre salaries being paid bank clerks; but while I agree with these criticisms which are often expressed, I think the banks are doing handsomely for their clerks compared with the way in which this government is paying some of the lower salaried postmasters.

I want also to say just a few words regarding unemployment relief. In a country such as Canada there is bound to be a certain amount of unemployment in the winter time. I am led to speak on this matter because twice within the last three days I have been stopped on the street and asked by a man to give him the price of a meal. These men in both cases looked as though they were quite willing to work. One man assured me that he had walked from Ottawa to Britannia and back looking for a job shovelling snow and he could not get one that day. These men, unless they are to starve or be put in gaol—neither of which we wish to see—must be taken care of by the municipality, and it is the duty of the government to resume the policy of sharing with the municipalities this cost of relief for the unemployed. This policy was pursued by this government in the year 1926-27 when they paid out approximately $77,000 to the municipalities for that year. Surely this amount is so small that the government does not need to haggle over the matter. May I quote a few words from the Manitoba government's report on this subject:

> The control of the immigration stream is in federal hands and it would seem reasonable to demand that at least a share of the cost of relief made necessary by unemployment caused by immigration should be paid by the dominion government.

The minister in his budget speech made reference to the fact that Canadians were returning home, and I could not help but wonder whether it was the millionaires returning because of the income tax reduction. In every budget debate which has taken place since I first came to this house as a member, the exodus of Canadians to the United States has been discussed at great length, at greater length perhaps than any other subject apart from the tariff. In my opinion the primary cause which is at the bottom of this condition has not been discussed in this house. There is only an invisible line dividing Canada and the United States; the soil and climate in those districts adjacent to the boundary are very similar and the reason why people leave one country to go to the other is mainly to better their economic condition. The economic position of the people is affected not only by the natural resources, soil and climate, but also

by the artificial conditions which are determined by the legislation of the country and the control of finance and credit.

I wish to compare for a few minutes the control of legislation in Canada and the United States. In Canada the control of legislation is autocratic. In this house a private member cannot even introduce any bill which entails the expenditure of public moneys. He cannot even amend such a bill, even though it is to save the government a little revenue. We had a demonstration of this last year when the hon. member for Winnipeg North Centre (Mr. Woodsworth) moved that the reduction of ten per cent in the income tax should be limited to incomes of $10,000 and under. That motion was declared out of order, and, strange to say, the members of this house upheld that decision. The member may, of course, introduce any other public bill, but the rules of the House of Commons are such that, in my six years' experience in this house, I can remember only one such public bill that ever finally passed and became law, and in that case the government set a special time for the bill to be given a third reading. The Prime Minister selects the cabinet; he can also dismiss them at will, so that it amounts to this; no legislation can be passed here unless it has the express approval of the Prime Minister. Under our system and the rules of the house, the absolute control of legislation is vested in the Prime Minister, and practically all the legislation passed by this house, exclusive of private bills, has originated in the cabinet. This is not the most objectionable feature of our system. The fact that the Prime Minister holds in his hands the power of dissolution of parliament at any time makes him an autocrat; in this case, makes him King in fact as well as in name.

Comparing our system with that in effect in the United States: generally speaking any member of congress may introduce any bill which in his opinion is in the interest of his constituents. If he can secure the support of a sufficient number of members of congress and of the upper house his bill may become law whether the president approves of it or not. True, the president may veto the bill, but if it be passed again with sufficient majority it becomes law in spite of his opposition. In the United States a large part of the legislation which is passed originates with the members elected by the people. In Canada practically all legislation of a public nature must originate with a prime minister, who secures the position because he was chosen leader by a party convention. In the United States the members of congress are elected for a term of four years. Any member can vote for what he thinks is right; he cannot be sent home at the whim of the president, even if a measure favoured by the president is defeated. In Canada the Prime Minister has the power to dissolve the House of Commons any time he takes the notion. All of our members are more or less familiar with the threat that "if a government measure is defeated parliament will be dissolved."

The people's representatives have very little to say under this system of government. The government brings in a measure and says in effect, "if this measure does not go through we will dissolve this house." Naturally, unless it is a particularly obnoxious bill, it will go through. In some cases the cabinet possibly does get the approval of its own caucus, but I will venture the assertion that they did not do that with this budget. Did the government supporters or the group co-operating with them decide what the contents of this budget should be? I hope they are not responsible for it. If they are we may as well give up hope of any progressive legislation coming from that side of the house. I wish the people of Canada really to understand the situation that exists here; they would then see how difficult it is for their representatives to do anything worth while in their behalf. The Finance minister prepares his budget with the greatest secrecy; nothing which it contains is allowed to leak out until he actually delivers his speech in parliament; then the house must accept it or it will be considered a defeat of the government to be followed by a dissolution of parliament and a general election. This is very largely true of the work of the whole session; the cabinet introduce whatever legislation they see fit and the members sitting on that side of the house are supposed to support that legislation in all cases. Party discipline is so rigid that it is almost an unknown thing for a member of the party in power to even suggest a reduction in any item in the estimates. In making this statement I would call to my support Hon. Herbert Marler, whose remarks will be found at page 527 of Hansard for 1925. Mr. Marler was at that time the member for St. Lawrence-St. George, and he said:

> Perhaps on this side of the house I am looked upon as a black sheep or a yellow dog if I dare to suggest to the minister that I would like certain information on a particular item. It is exremely unpleasant to ask ministers on your own side of the house for particular information. It is a most unheard-of action on the part of any member on this side to dare suggest that a vote be cut down, or that certain action be taken with regard to it, or dare even to suggest that he should exercise his own intelligence in voting the money of the people.

That was the opinion of Mr. Marler, who was a very able member of this house. Under this system a private member, and especially a member of the party in power, is reduced to the status of a sort of glorified errand boy. I hope I may say this without giving offence, because I think we are all pretty much in the same position. A member can spend most of his time in Ottawa running errands to the various departments for his constituents, making an occasional speech on the budget and voting for all government measures. Surely no one would question the fact that we could get legislation more in the interests of the people if members of this house had the same opportunity of securing legislation as that enjoyed by members of congress, and I think it also safe to assume that the brains of parliament are not confined to the party in power and that the brains of the party in power are not confined to the cabinet.

If the system in the House of Commons is bad, that which obtains in the Senate is even worse. Members of that chamber are appointed not because of their ability but as a reward for services rendered to their party; they are appointed for life and are responsible to no one. They can block any legislation, with the exception of supply, and in the main they are representative of the reactionary element throughout the country. What chance have we to progress under these conditions? I consider this system to be at the root of many of our problems to-day. You may ask, "If this is the case why did not our people insist on changing the system?" The answer is because this system suits the parties, and the party leaders kept the people entertained with their discussions over the tariff and similar things. The older people were such ardent Liberals or Conservatives and were so engrossed in their party warfare that they never thought of improving the system, while the young people found it easier to cross the boundary line and secure a position than to stay here and fight against the disadvantages of such a system.

I would like to make it very clear that I am not advocating the adoption of the United States system of government. I have compared some features of their system with the Canadian system, because of the time which has been spent in this house comparing their tariffs and other matters with similar matters in this country; but I should like also to make it clear that I do want such changes made in our system as will give the representative chosen by the people power to initiate legislation, and to secure the removal from the hands of the Prime Minister of the power of dissolution of parliament. Let us get away from that worn-out tradition that the defeat of a government measure by the house should be followed by the resignation of the government or the dissolution of parliament. Personally I should like to see a fixed term of four years for parliament, but as that would necessitate a change in the British North America Act possibly we cannot get that in my lifetime, because we are told Ontario and Quebec oppose it.

If I have time, Mr. Speaker, I should like to compare the control of finance in the two countries, although I shall have to do so in about two minutes. In Canada four banks control approximately 80 per cent of the banking and credit business of the entire country, while in the United States every city and town has its own bank owned and controlled by men whose interests are centred in the community. Their bank can grow only as the community grows, so naturally they do their best to retain all the bright and capable young people in their own community. If we are concerned about keeping our young people in Canada why not reform the system of government and give the representatives of the people a chance to do something for them? Let us remodel our banking system to make it serve the needs of the people in the outlying parts of the Dominion as well as those living in the vicinity of Toronto and Montreal. In my opinion it will be hard to secure any effective change in the banking system of this country until we make some change in our system of government and in the rules of this house.

In conclusion, Mr. Speaker, I would say that I am opposed to this budget because it will reduce the income tax, which I believe to be the best method we now have for the collection of taxes. I object to the reduction of the sales tax on certain articles which we class as luxuries. I also object to the proposal to double the percentage of empire labour and material cost required on goods receiving the British preference.

Mr. DEPUTY SPEAKER: Time.

Mr. DUNCAN SINCLAIR (North Wellington): Mr. Speaker, in opening my few remarks on the budget and the amendments thereto I wish to congratulate you on your re-election as Speaker of this house, and I hope that on this, my first attempt to speak, I shall have your kindly sympathy. I promise faithfully that I will be under the wire before the flag falls. I also wish to thank hon. members on both sides of the house for their kindness to myself since coming here. Like the old Scottish preacher who once said in opening

his sermon, "My dear friends, I want to say something before I begin," I should like to thank the Minister of Railways (Mr. Dunning) and the Minister of Finance (Mr. Robb) for the splendid assistance they gave me in the last election. I was very sorry to be so busy in the election that I was not at home when they visited my vicinity, but if they will only send me word next time they come I will be there to meet them and receive them in a hospitable manner.

I had no intention of making a speech this session, but in looking over the speech from the throne and the budget as brought down by the Minister of Finance I decided this was my time to get in, because I could scarcely say less than is contained in either the speech from the throne or the budget. With regard to the budget and the amendment thereto, I must say that I am heartily in favour of the amendment as proposed by the hon. member for St. Lawrence-St. George (Mr. Cahan). I regret that the budget does not contain a remedy for the unemployment existing in Canada, that no attempt is made to induce our boys and girls to return to their native land, and that there is nothing which will prevent the continuance of the alarming exodus to the United States. The budget contains no provision for the preservation of our own market for farm and dairy products, does not provide for the development of the natural resources of this country and does not abolish the sales tax. I suggest to the Minister of Finance and the government that the time has come when there should be no more tinkering with the tariff, a process which inevitably causes injury both to the manufacturers and to the farmers of this country. What I mean by that is that I think the tariff should be left as it is for at least the life of one parliament. Before I ever went into politics I remember how the managers of factories and the people who had their money invested in these industries were kept in a continual state of apprehension because they did not know what this government was going to do, or what industry would next be attacked.

I would suggest to the Minister of Finance that if he had outlined in the budget a national fuel policy for Canada, a national iron and steel policy for Canada, a national pulp and paper policy for Canada; if he had outlined policies whereby our natural resources could be turned into finished products in Canadian factories by Canadian workmen, he would have solved many of the problems which confront us to-day, and the Minister of Immigration and Colonization (Mr. Forke) would not be condemned, as he is being condemned now, for conditions which have been brought about by the foolishness of this government. There is no doubt at all that our young people are leaving Canada in large numbers. There must be some reason for it, and there must be some remedy for it. Why not apply the remedy and stop the exodus from Canada of some of our best and brightest minds? Recently when crossing the border I got into conversation with a gentleman on the train. He asked me where I came from, and I replied, from Canada. During the journey I noticed some big factory buildings and asked him what industries they housed. He said they were pulp and paper mills. I asked, "Where do you get your pulpwood?" He replied, "From you foolish Canadians." "What do you mean?" I said. He replied, "Exactly what I said. If we could not get this pulpwood from Canada we could not manufacture it here." "What would that mean?" I inquired. He replied, "We would have to go to Canada." Now the question I ask is: Why not bring them to Canada? I would simply give notice to every pulp and paper manufacturer in the United States who gets his supply of pulpwood from Canada that one year from to-day the exportation of this pulpwood will not be permitted, and that they must be prepared to manufacture it in this country. These industries would thus be compelled to establish themselves in Canada and our boys and girls employed in those mills would return with them.

I wish now to make a few remarks on the Australian treaty as it affects our farmers. I cannot understand the attitude of the Minister of Agriculture and the government in this matter. I recall how the former member for South Oxford, Mr. Sutherland, pleaded with the government not to ratify this treaty. He warned them what would happen if they did so. What he predicted would come to pass if that treaty were ratified has happened. I am absolutely opposed to the enactment of any law which injures the dairymen or the woollen industry of this country, whether introduced by a Liberal or by a Conservative government. I well recollect when every farmer in my own constituency kept from ten to twenty-five sheep. But they are not keeping them now. What is the cause of that? The government must be aware of this falling off. There must be a remedy for it, and it is up to the government to provide that remedy. The facts given to the house the other day by the hon. member for Victoria B.C. (Mr. Tolmie) should convince the government that something should be done, and done at once

to save the sheep industry and the woollen industry. After reading the speech of the hon. member for Victoria, I was rather surprised to get in my mail a circular from the Civil Service Association which contained the following notice:

Civil Service of Canada
Position Vacant

Applications are invited from residents of the province of Ontario qualified for the position of

District Sheep Promoter—$2,040 per Annum.

The circular does not say whether the district sheep promoter is to have a McLaughlin-Buick or a Ford car. I expect that he will have one. The minister will surely give him a Ford car, although he himself drives a McLaughlin-Buick. Just think of the government employing a man at this salary when the responsibility for the condition of that industry lies in the government itself! They spoil the woollen business and then they try to get some person to jack it up. It is a sad thing that only one-third of the woollen and worsted goods used in Canada is supplied by Canadian mills, and that the remaining two-thirds are imported. We could and we should grow enough wool in this country to supply all our needs.

I wish now to say something about the dairy industry. In order to show the condition of that industry in my own riding I am going to read to the house extracts from communications from the creamery men of North Wellington, showing what effects the Australian treaty has had on the dairy industry there. I will also place on record the importations from Australia and New Zealand under the treaty. I think we all agree that up to the time the Australian treaty came into effect the dairy industry was one of the finest industries in this Dominion, and thanks are due to the Dominion and the provincial governments in the past for the assistance they have always given this industry. Unfortunately the present government entered into this treaty with Australia. I am sorry the Minister of Agriculture (Mr. Motherwell) is so little interested in the dairy industry that he is busily engaged in talking with hon. members around him. I suppose he was very busy talking when this treaty was made, and that is why he allowed it to go through.

Some hon. MEMBERS: Order.

Mr. SINCLAIR (North Wellington): I now wish to give some figures showing the importations of butter from Australia and New Zealand. They are as follows:

Importation of Butter

Before the treaty

Australia, 12 months ending December, 1925, 278 pounds; value $110.

New Zealand, 12 months ending December, 1925, 53,424 pounds; value $21,583.

After the treaty

Australia, 12 months ending December 1926, 2,995,740 pounds; value $1,095,988.

New Zealand, 12 months ending December 1926, 3,193,382 pounds; value $1,260,788.

Australia, January, 1926, 473,200 pounds; value $181,645.

New Zealand, January, 1926, 570,185 pounds; value $203,870.

Australia, January, 1927, pounds nil; value nil.

New Zealand, January, 1927, 729,288 pounds; value $244,898.

Australia, 12 months, 1927, 376,096 pounds; value $135,160.

New Zealand, 12 months, 1927, 8,714,985 pounds; value $3,023,801.

Australia, January, 1928, 248,584 pounds; value $92,628.

New Zealand, January, 1928, 3,183,289 pounds; value $1,126,291.

With respect to the 278 pounds of Australian butter shipped during the twelve months ending December, 1925, the Minister of Agriculture, it seems to me, must have asked the Australians to send over a sample shipment, with the promise that if the butter was of good quality he would try to get them a good market in Canada. But to my mind the saddest thing of all is that in the month of January, 1928, New Zealand shipped into Canada 3,183,289 pounds of butter valued at $1,126,291. I should like to ask the Minister of Agriculture whether he is representing the farmers of Canada or the farmers of Australia.

Mr. MOTHERWELL: May I ask my hon. friend a question?

Mr. SINCLAIR (Wellington): I have never interrupted an hon. member and I have never interjected a question during an hon. member's speech. I will give the Minister of Agriculture a hint,—he is indulging in sleep, perfect sleep, from which it is time for him to wake. What was the excuse that the Minister of Agriculture made to the National Dairy Council? This is what he said:

Now we got a preference in the Australian market for certain exports like paper and pulp and motor cars, what are we to give in exchange that would be of some value to them? Supposing the present items were eliminated, what would you suggest to take the place of butter?

I should think the Minister of Agriculture of any government is and should be the farmer's friend. Just imagine the Minister of Agriculture of this government sacrificing the interests of the farmer for motor cars, pulp and paper! I suppose the Minister of Agri-

culture has a copy of every letter I hold in my hand, but just to show the house how the people in my constituency view the Australian treaty, I wish to read a few extracts from letters which I have received. The first one reads:

We just wish to draw your attention to the serious condition of the creamery butter industry in Canada. Up to 1926 we had a growing butter industry, which was developing into one of the leading industries of the country. Then the duty was reduced on the importation of butter, and the farmers to-day cannot afford to meet the competition of New Zealand and are cutting down on butter production, as fast as they reasonably can.

This is from one of the leading creamery men in my riding, and the saddest part of it is this paragraph in his letter:

To-day large numbers of female calves are being vealed because there is more money in producing veal than there is in producing butter, with the result that not only our present production is being lowered, but our future for years to come is being scarificed, in the shortage created by vealing the female calves. To add to this shortage a great many of our best milch cows are being bought up for the American market.

I would suggest that the government should give us the same protection as we had before so as to put us on even footing with other countries. The second letter is from another creamery man in my riding who says:

Beg leave to say that we feel that this treaty is not in the best interests of Canada, and especially not the producer of cream, who has to produce cream under entirely different conditions than that of Australia or New Zealand, whose climate permits the production of cream at much less expense, than the Canadian farmer can produce it, who has to stable feed at least six months of the year. There is no doubt about it that the effect of this butter being dumped on our market certainly has a bad effect on the price of the butter to the producer. In 1926 when this treaty became effective the butter market broke twenty cents per pound. This meant severe loss to the farming industry, and we believe that in the best interest of Canada as a whole that the same duty on butter coming into Canada from any country should be equal to the duty that we pay if we have to export any to Australia, New Zealand, or the United States. We trust that you will in the interests of your constituents and the Canadian farmer as a whole vote to have the tariff on butter from New Zealand and Australia placed at six cents per pound, the same as we have to pay on our butter going there.

This is a letter from another creamery man in my riding:

I might say in regard to New Zealand and Australian butter coming into Canada, we should have at least eight cents a pound protection, on account of the bonus that they receive. They allow them to sell their butter cheaper in Canada than in New Zealand or Australia. I think that if we had eight cents duty on butter coming in it would be a great help to the farmers of this country, as well as the creamery men. I think we would be able to pay the farmers about four cents a pound more for butter fat at present, if it was not for this butter being dumped in here, as I can buy New Zealand butter cheaper in Toronto to-day than I can buy Canadian made butter.

This is another one from a man who holds office in the Canadian Creamery Association of Ontario. He says:

At our executive and annual meetings this question has been brought up and I feel safe in saying that at the present time eighty per cent of the creamery men of Ontario are against the Australian treaty tariff as it now stands.

This morning I received the following resolution from the Ontario Milk and Cream Producers Association:

The Ontario Milk and Cream Producers Association desires to place itself on record as being decidedly opposed to the clause or clauses in the Australian treaty which permit butter to be imported into Canada at the low tariff rate of one cent per pound, thus creating a situation that places the Canadian producer under very unfair competition and making it extremely difficult for him to carry on his business at a profit. Experience with the treaty so far has shown that Canadian dairying is working under a severe handicap, because of it and unless some remedial measures are undertaken, the butter producing industry of the Dominion cannot make the progress it should.

It does not seem reasonable that an agricultural country like Canada should import large quantities of butter while an industrial country like the United States is able to produce nearly all the butter it requires. I would therefore in all sincerity ask the Minister of Agriculture to lose no time in seeing that the Canadian farmer at least has the home market for his own product.

Let me say just a word about my own riding of North Wellington, which I think is the finest riding in the Dominion of Canada. We have a rural constituency comprising great big Irish, German, Scotch and English farmers and business men, and they saw fit to send your humble servant to this house to represent them. We do not ask the government for very much, but I would just remind the Minister of Public Works (Mr. Elliott), who I am sorry is not in his seat, that I see no mention of North Wellington in his estimates. We need post office buildings at Arthur, Drayton, Moorefield and Clifford, and I hope to see some provision made for these, or at least some of them, in his supplementary estimates. I am sure it was entirely an oversight on his part and not at all intentional that they were not included in the main estimates. I might tell him right now that I would just as soon he

built a post office in the village of Arthur this year. It might help the government and it will not hurt me, because I am very anxious that the village of Arthur should have a post office.

In conclusion I hope and trust that we shall all work together, Liberals and Conservatives, United Farmers of Ontario and Progressives, Labour and Independent members, to make and keep Canada as it always has been, the brightest gem in Britain's crown.

Mr. J. L. ILSLEY (Hants-Kings): Mr. Speaker, I trust that the hon. gentleman who has just taken his seat (Mr. Sinclair) will not consider it presumptuous in me, one of the younger members of the house, to congratulate him upon what I believe to be his maiden speech in this house. I enjoyed very much what I could hear of his speech. I cannot say that I agree with all the sentiments he expressed, but I certainly consider his effort to have been very creditable.

From what I could hear of the opening of his remarks he laid emphasis on the thing that has been stressed so much and so often by hon. gentlemen on the other side of the house, and that is the matter of emigration from the Dominion of Canada to the United States. As that is one of the main lines of attack upon the budget which has been pursued by the Conservative party, I hope to refer to it later in my remarks.

First of all I want to congratulate the Minister of Finance (Mr. Robb) upon the budget and upon the series of budgets for which he has been responsible as Finance minister. The most complimentary thing that I can say is this, that by the series of Robb budgets which have been brought down to this parliament during the last few years the minister has proved himself a worthy successor of that great Nova Scotian who preceded him, the Right Hon. Mr. Fielding; and in saying that I am paying him the highest compliment I can think of.

As I said before, the main line of attack that has been made upon this budget from the other side of the house has been based upon the proposition that it lowers the tariff too much. I have listened with very much interest to the addresses that have been made in an attempt to support that proposition, and I note that my hon. friends opposite single out this year the spinning branch of the woollen industry as that which will be most injured by the tariff reductions. The best speech, if I may be permitted to say so, that has been made on the other side of the house upon that phase of the subject was that of the hon. member for South Waterloo (Mr. Edwards). I read his speech, and the letters from the manufacturers which were quoted therein, and I note that they do not make any specific or unqualified prediction of disaster to the industry; they simply state their fears as to what may take place. I think, Mr. Speaker, that the people of this country will not be convinced by that. They will feel that these predictions are to be placed in the same category as the predictions of ruin and disaster that were made by the Conservative party at the time the agricultural implement duties were reduced, and in the same class as those other predictions of disaster which were made when the automobile duties were reduced. We all know that those reductions were not succeeded by worse times in those industries, but by better times, and I think the people of this country will come to the conclusion that the same will be the case in regard to the reduction of duties provided for in the present budget.

Regarding the main argument of hon. gentlemen opposite, that the tariff policy of this government has been driving our young men and women to the United States in great numbers, I am prepared to admit that from some parts of Canada there is considerable emigration to the United States. There is in my own constituency; there has been during the last few years. But, Mr. Speaker, I deny that lowering of tariffs has been in any measure responsible for driving these people to the United States, and I also deny that the raising of the general tariff level would in any measure result in their return.

Take the condition in my own constituency. There we have had five bad apple years in succession. If we had five good apple years, or even two good apple years, when conditions were favourable in the apple industry there would be a vast change in the conditions there. As the house knows, the apple growers of the Annapolis valley sell the greater part of their apples abroad in competition with the world, and particularly in competition with the exportable surplus of American and also English fruit. Now in competing with the apple growers of New York state we in the Annapolis valley have certain advantages, especially in the cost of barrels, of labour, and of fertilizers, which, due very largely to the policy of this government in putting fertilizers on the free list is lower in the Annapolis valley than in New York state; but on a considerable list of other articles, on some farm implements, on some tools and other hardware, on some spraying materials and other farm materials, the cost, based as it seems to be in many instances upon the

American price plus the Canadian duty, is greater in Annapolis valley than in New York state. If any person is interested in pursuing this subject in detail he will find it dealt with at pages 108 to 111 of a recent publication entitled The Maritime Provinces since Confederation, published by the Dominion Bureau of Statistics. The Nova Scotia farmer has to pay substantially more than his American competitor for power sprayers, disc harrows, mowing machines, horse rakes, potato diggers, potato planters, manure spreaders, lime sowers, grain and fertilizer drills, spring tooth harrows, tractors, trucks, some spraying materials, and almost all other farm materials such as middlings, bran, cornmeal, coal oil, gasoline, tires, not to mention motor cars and equipment. It is obvious that if you increase the customs tariff on these articles, which I understand is the proposal of hon. gentlemen opposite, you are going to increase the cost of production to the apple producers in the Annapolis, Cornwallis, Gaspereau and Avon valleys of Nova Scotia. If you go to any farmer in those districts and ask him why he is not doing as well as he did before the war, he will tell you that the cost of production has gone up disproportionately to the price he is receiving for his products. It is obvious that any policy which results in a general increase in that cost of production, any policy which will result in increasing the spread between his costs and the costs of his New York state competitor, is not going to make conditions any better in the Annapolis valley. As a matter of fact it will make conditions very much worse, and you will have two persons leaving the locality for the United States where you have one at the present time. I think that constituency is fairly representative of a great many rural constituencies in Canada. Higher tariffs as a cure for conditions in a constituency such as that, so far as emigration is concerned, would be a joke, or perhaps I should say, a tragedy

As a matter of fact we do not have to depend upon our reasoning or upon logic to a proper conclusion as to what effect a higher tariff would have upon emigration. If there was one period in the history of Canada when conditions should have been ideal so far as the emigration problem is concerned, according to the arguments of hon. gentlemen opposite it was the period between 1879, when the national policy came into force, and 1896, when the Conservative party went out of power. There you had a government favourable to the protection of home industry, a government whose avowed policy was to furnish jobs for Canadian workmen. You had no inquisitive consumers' league to cope with, no fussy tariff board. If the manufacturer wanted protection he simply went to the Finance minister and got what he desired. What was the result? If the reasoning of hon. gentlemen opposite is valid and sound, surely we would expect that there would be practically no emigration from Canada during that period, and yet the records show that there was no period in the history of Canada, before or since, when emigration was as great as during that very period.

My hon. friends opposite are talking against the government because, they contend, its policy is leading to emigration. I tell them their talk is as nothing compared with what was said by Sir Richard Cartwright and his colleagues in the early nineties after the census of 1891. Sir Richard Cartwright placed facts before the House of Commons to show that in the decade between 1881 and 1891 there was an exodus from the Dominion amounting to 1,460,000 persons, or 146,000 a year for ten years on end. That was the condition during that halcyon period. Why, in the province of Nova Scotia the population, which according to the census returns was 440,000 in 1881, had increased to only 450,000 in 1891. But it is a matter of history that the census of 1891 was conducted fraudulently and showed tens of thousands more people in the province than were actually there. If anyone wishes to check this I would refer him to the speech made by Sir Frederick Borden, then the member for King's County, in the House of Commons on June 12, 1894, in which he shows that whole families were transplanted from the Cornwallis and Annapolis valleys to the New England states, and yet they were shown in the census returns as still living in the province. As a matter of fact our population was stationary at that time, notwithstanding a high birth rate and considerable immigration. It was stationary in New Brunswick—even the census did not show an increase. It was stationary in Prince Edward Island—even the census did not show an increase. In the book to which I have referred, issued recently by the Dominion Bureau of Statistics, it is said that the total emigration from the maritime provinces between 1881 and 1891 exceeded 103,000 and between 1891 and 1901 it exceeded 111,000. It was not until after 1901, when the results of the Laurier policies began to be felt, that the emigration from the maritime provinces was substantially reduced.

It is for these reasons, reasons that I might call historical as well as mathematical, that I say the cure-all prescribed by hon. gentlemen opposite would in fact be no cure at all. If we had applied what I understand to be the

remedy suggested by my hon. friends opposite, a scientific tariff, so-called, that is, a tariff which adequately protects the simpler and raw forms of products from foreign competition—the remedy suggested by my hon. friend from Cumberland (Mr. Smith) this afternoon; he said he was advocating a tariff on coal which would absolutely keep out American coal—if we had a tariff like that, increasing as our goods become more highly processed and reaching its maximum when the goods become most highly processed, it would mean a tariff amounting to 60, 70 and 75 per cent in the latter case. Such a tariff would be so crushing to our primary producers that it would depopulate whole countrysides, let alone solve the problem of immigration!

The remedy in the maritime provinces is not to be found along those lines. So far as the rural sections are concerned, I suggested, in a speech that I made in the house a month or so ago two or three things which I thought the government ought to try to do in the direction of developing foreign markets. I was paid the compliment of being very severely criticized by the Halifax Herald, a Conservative newspaper in Nova Scotia. This paper said that I was simply repeating old party shibboleths, without any regard to their applicability to the conditions actually in existence in the province. But in answer to that criticism I want to put on record a little evidence. In Nova Scotia it has been admitted for many years, by both Liberals and Conservatives, that one of our greatest needs is wider markets. I refer to the submission of the claims of Nova Scotia made by the Rhodes government to the Duncan commission. At page 167 I find this:

> It undoubtedly called for great sacrifice on the part of the farmers of this province to forego the advantage of the American market, as Nova Scotia is especially adapted to the production of vegetables, fruits and like perishable products which find a ready sale in the industrial centres of the New England states.

As a matter of fact, the Rhodes government has appointed a marketing representative to develop those New England markets in the person of Professor Cumming, the Secretary of Agriculture in Nova Scotia under the old Liberal government. The Liberal leader, Mr. Chisholm, made some criticism of Secretary Cumming being sent there on that mission, but the Halifax Herald, on February 18th, 1928, defending the appointment, had this to say:

> Mr. Chisholm explains that his complaint that the former Secretary for Agriculture had been "degraded to the position of a commercial traveller to Boston" was a slip of the tongue, as doubtless it was, though a somewhat unfortunate one.

[Mr. Ilsley.]

Our own view is that that is not the point at all. A lapsus linguae is no "hanging matter", even if it is a trifle embarrassing. But just why it should be suggested that Dr. Cumming has in any way been "degraded" is a little more than we can understand. Finding markets for the products of Nova Scotia farms and orchards and dairies is just about the most honourable and most useful work in which any man could engage.

This from the very paper which states that no wider markets are necessary! Now, as a matter of fact, the expansion of markets which I suggested was the Cuban market for potatoes and the German market for apples. Anyone who denies the value of those markets is simply ignorant of conditions existing in the business or is misrepresenting the facts. There is no doubt about the value of those markets among the people who themselves are actually engaged in the production of apples and potatoes.

Now, Mr. Speaker, I wish to deal briefly with a few of the attacks that have been made upon the budget, more particularly by the Conservative members from my own native province. I have always understood that a budget, while being a statement of the estimated revenues and expenditures for the ensuing year, is primarily a program of taxation. I know that the greatest budgets ever brought down in the British House of Commons, the budgets of Mr. Gladstone in the early sixties, were certainly programs of taxation which were designed to interfere as little as possible with the flow of trade in its natural channels. These budgets were succeeded by periods of great prosperity in England, in fact of greater prosperity than England had theretofore enjoyed. But the conception of a budget held by my hon. friends on the other side from the province of Nova Scotia is essentially and fundamentally different. They seem to think that it should contain something for themselves or their constituents. They say: What is there in it for us; what is there in it for this industry; what is there in it for this business? They seem to feel that the budget is a sort of Christmas tree and ought to be hung with prize packages and gifts for their constituencies. They seem to feel that the Minister of Finance is a sort of Santa Claus and if he does not stuff their stockings full of presents he is deserving of the very greatest censure from the Dominion. Now I think I am as sincerely desirous of seeing the province of Nova Scotia advance as anyone else, but I must differ emphatically from that fundamental conception of what a budget is. What do the Nova Scotia Conservatives suggest? I do submit that for the most part their suggestions are impracticable. We heard this

afternoon from the hon. member for Cumberland. How does that hon. gentleman propose to solve the coal problem in the province of Nova Scotia? He says he would solve it first by the imposition of a duty high enough to keep out eighteen or twenty million tons of American coal, but on second reflection he admitted that, the Dominion fuel board having stated that it would have to be a duty of about $6 a ton, that amount was not necessary to protect the mines of Nova Scotia. Apparently he wants protection only so far as Nova Scotia is concerned; he is interested in Nova Scotia alone. He also advocated a reduction in freight rates and, as he said, still more reductions. He advocated subventions and increased bonuses to the coking plants. He said that the coking plants should be compelled, probably by making it penal to disobey the statute, to use Nova Scotia coal. These are the remedies he suggests for the difficulties of the coal industry of Nova Scotia. I asked him whether that industry had not increased its output last year by a million tons and he admitted that it had, but he thought the increase should be greater still. Perhaps it should be, but my hon. friend has failed to put his finger upon the true trouble in the coal industry of Nova Scotia. That trouble is lack of winter employment; the trouble is seasonal unemployment in the industry. The thing to which the government should direct its attention is a solution for the problem of seasonal unemployment. The companies themselves asked for the coking plant legislation of last session and stated that it would be sufficient. I am hoping that the coking plant legislation will meet the problem because it is directed to the trouble there, and it seems to me idle for any member to stand up and ask for great subventions and bonuses and reductions in freight rates unless he is prepared to tell the house something about what these proposals would involve in the way of cost. I am sure I should not have the effrontery to demand all these things unless I could give at least an approximate estimate of what they would cost the people of the Dominion.

While on this question I want to correct my hon. friend in regard to two or three misstatements of fact—misstatements which I have no doubt were inadvertent. He wanted to know whether those of us on this side would favour the reciprocity pact in respect of coal and have coal admitted free into Canada as into the United States. The hon. member should know that this was not part of the reciprocity pact of 1911. That pact provided for a 45 cent per ton duty on coal other than slack entering the United States and Canada, the duty on slack being left exactly where it was at that time. My hon. friend also spent a great deal of time endeavouring to take credit to the Conservatives for the steel bounties. I am not greatly interested in these historic controversies as to which party deserves the credit, but since we are on the subject I may as well give the house two or three facts. The assistance which was given the coal industry prior to 1897 was infinitesimal and insignificant. In 1887 there were only 19,000 tons of steel produced in Nova Scotia; in 1896 only 32,000 tons. But by 1911 there were 390,000 tons produced in the province, showing that the assistance given the industry during that later period really amounted to something and was neither infinitesimal nor insignificant as it had been during the earlier period. My hon. friends are very ready to come to this government and declare that they must have this and that and the other. The hon. member for Queens-Lunenburg (Mr. Ernst) said that the banks of the Lahave river were being denuded of pulpwood and he asked what the government was going to do about it. What was the Minister of Finance going to do about this pulpwood which was being shipped to the United States? I would sugguest that the responsibility rests primarily not upon the shoulders of the Minister of Finance or of this government but upon the people of the hon. gentleman's constituency. They might do just as the people of my constituency did in a similar situation: they put their money up and built a pulp mill on the shores of the Avon river in the town of Hantsport, and that mill will handle the pulpwood produced there and prevent its going to the United States.

Mr. ERNST: Of what use would a pulp mill be when the timber tracts are owned by a United States corporation? I should like to know.

Mr. ILSLEY: As my hon. friend knows, one of his friends, Mr. Barnjum, on the eve of the election of 1925, promised to build one there.

Mr. ERNST: It is near realization, but not on the Lahave; it is on the Mersey.

Mr. ILSLEY: We at any rate built one in our constituency, and we did not do so in fulfilment of pre-election promises either.

Hon. gentlemen from Nova Scotia talk blue ruin in this house; they say that conditions are frightful. I would refer you, Mr. Speaker, to what my hon. friend from Queens-Lunenburg had to say the other day about the fishing industry. But in the province of

Nova Scotia they sing an entirely different song, and in order to explain the difference I want to give the house a little bit of political history in Nova Scotia in recent years. The question of secession has been brought up in this house two or three times, but in this debate it has been mentioned only by one hon. gentleman, the member for Queens-Lunenburg, who has gone out of his way to introduce it into the discussion. He says I intimated that he was a secessionist. I never intimated anything of the sort.

Mr. ERNST: Sectionalist.

Mr. ILSLEY: Is Hansard wrong?

Mr. ERNST: Yes, it is corrected in the revised Hansard.

Mr. ILSLEY: I am going by unrevised Hansard. The context, however, shows that my hon. friend must have had reference to secession, because he goes on to talk about the policy of the Halifax Chronicle and declares that secession never received support from members on his side of the house. What then was he talking about if not secession? But I am not particularly concerned about having the matter cleared up, although I think it is just as well to have the record straight. Let me say that there is not a member on this side of the house who has ever advocated secession in the province of Nova Scotia. But the same is not true of hon. gentlemen to the left of the Speaker. I would refer to that chapter in the history of the Conservative party in the province of Nova Scotia in the year 1923 with reference to this question. In that year the Conservative opposition in the Nova Scotia legislature sponsored and introduced a motion known as the Corning resolution, the last recital of which I wish to read:

> And whereas, Nova Scotia if an independent, self-governing British dominion, would be able to protect its farmers, fishermen and industrial workers through tariff measures and trade treaties, thus preserving its home markets and furnishing employment to its people and profitable investment for capital, and build up the enterprise and population of the province.
>
> Therefore resolved, that in the opinion of this house a vote of the electors of Nova Scotia should be taken by way of referendum for the purpose of ascertaining whether the people of this province favour its withdrawal from confederation and the reconstitution of Nova Scotia as an independent, self-governing British dominion.

Every Liberal member voted against that resolution; every Conservative member voted for it. And amongst the Conservative members who voted for the resolution, according to the Journals of the House of Assembly of Nova Scotia, at page 262—the vote was taken on April 20, 1923—I find the name of the same Mr. Macdonald who pounds his desk so vigorously on the other side of the house when he considers that hon. gentlemen opposite make a point.

Mr. ERNST: Will the hon. gentleman permit a question? On what did Mr. Fielding conduct his campaign in 1882?

Mr. ILSLEY: I am not talking about events at the time of confederation or twenty years after confederation; I am talking about what happened within the last five years in Nova Scotia. Now we come down a little later in the history of politics in that province, to the provincial election of 1925, and I want to tell the house this because it bears directly on the question of emigration and immigration. Early in 1925 we had a provincial election which was largely fought on the emigration question. Hon. E. N. Rhodes entered provincial politics in that year. The Conservative campaign was based on this, that the cause of the emigration from the province of Nova Scotia was the policy of the provincial Liberal government for the last forty-three years; in other words emigration was definitely taken out of the field of Dominion responsibility and made a provincial responsibility by the Conservative party at that time. They promised that if they were returned to power they would "bring the boys back;" that slogan was then coined by the Conservative party, and I can remember picking up issues of the Halifax Herald and reading those very touching full page advertisements. I remember particularly an advertisement which represented some travellers going along a New England highway. In the distance they heard strains of music; four men were singing:

> There's a long long trail a-winding,
> Into the land of my dreams;
> Where the nightingales are singing
> And a white moon beams.

Upon investigation they found that these four men were Nova Scotians, singing this song with sobs in their voices and tears in their eyes. When the travellers asked them, "If you love your native province so much, why do you not go back?" Their answer was that forty-three years of Liberal misrule had driven them away and made them exiles from their native land, and they had to wait for a change in government before going back. We have had the change of government in Nova Scotia, but Mr. Rhodes and his government have not brought back the boys.

If you want a testimonial as to conditions in the province of Nova Scotia just listen to

the blue ruin song we hear in this house. You do not hear that down in Nova Scotia, because the Rhodes government are trying in every way to convince the people that they have fulfilled even a one-hundredth part of their pre-election promises. They have discovered since assuming office that emigration is not a provincial responsibility, and since then they have sought to throw the onus back on the shoulders of the Dominion government. Consequently we have these members from Nova Scotia asking for all sorts of things entirely without regard to the financial burden which will be thrown upon the government, simply making it appear that the whole thing is a Dominion responsibility. I will admit that this government have some responsibility in these matters, and as a Liberal I am proud of the manner in which they are assuming that responsibility.

Let us consider the legislative program of last session. I know the hon. member for Inverness (Mr. Macdougall) said the other day that the Conservatives were responsible for that program, and again I am not going to argue very much about who is entitled to the credit; but let us keep the record straight. Every member of this house knows that that legislative program would not have been enacted and could not have received the support of the entire country as it did if it had not been based upon the findings of an independent, non-partisan, judicial commission of inquiry. I refer to the Duncan commission, and every member of this house knows that the Duncan commission would not have been appointed if the hon. member for Inverness and his associates had had their way. They are all on record, each one of them, as opposing the appointment of any kind of commission.

Mr. MACDOUGALL: My hon. friend says we are on record as opposing that commission.

Mr. ILSLEY: Is my hon. friend asking a question?

Mr. MACDOUGALL: I rise to a question of privilege. I desire to say that the hon. gentleman has misrepresented the case, although I do not say he has done it purposely. The stand we took was this—

Mr. SPEAKER: Order. There is no question of privilege.

Mr. ILSLEY: Mr. Speaker, their utterances are on Hansard; I gathered them together and placed them on Hansard myself in a speech which I made last year. All the hon. members were in the house at that time; the hon. member for South Cape Breton (Mr. MacDonald), the hon. member for Pictou (Mr. Cantley), and the junior member for Halifax (Mr. Quinn) among others. They all opposed the appointment of that commission, and yet the hon. member for Inverness seeks to take credit in this house for the findings which were made and for the legislative program based on those findings. The government appointed that commission in the teeth of the opposition of those hon. gentlemen and in the face of their derision and contempt, and the government are now trying to carry out and are carrying out those findings as rapidly as it is practicable to do so. Now it ill becomes hon. gentlemen opposite to come into this house and try to take credit for what the Mackenzie King government have attempted to do and are doing for the people of the maritime provinces.

Mr. MACDOUGALL: Would the hon. gentleman permit a question? Would he tell the house who submitted the evidence before that commission, upon which those findings were based?

Mr. ILSLEY: If I remember correctly several hundred witnesses were examined before that commission.

Now, Mr. Speaker, I have not very much more to say. I did intend, if I had time, to deal with another class of attackss upon the budget, particularly those made by the Progressive party. Their attacks, as the Minister of Justice (Mr. Lapointe) pointed out this afternoon, are diametrically opposed to those which have been made by the Conservative official opposition, but I think I will not go into that question to-night. It involves a discussion of the practicability and possibility of group government in this country; it involves a discussion as to the lines of cleavage between the parties; it involves the question of whether compromise is or is not a necessity of government in Canada, and I will reserve that for some future time.

In conclusion, Mr. Speaker, I can only say what follows from my remarks, that I shall certainly vote against these two amendments and in support of the resolution.

On motion of Mr. Bourassa the debate was adjourned.

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

56103—69

Wednesday, March 7, 1928

The house met at three o'clock.

WORLD ECONOMIC CONFERENCE AT GENEVA

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the table the report of the Canadian delegates to the world economic conference, May, 1927; also a copy of the final report of the same conference. I may say to my hon. friend from St. Lawrence-St. George (Mr. Cahan) that the delay in tabling the reports was caused by the translation of the documents into French. The French translation, unfortunately, was not ready until this morning. I move:

That five hundred copies in English and three hundred copies in French of the report of the Canadian delagates to the world economic conference, of May, 1927, be printed forthwith, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

Mr. MACKENZIE KING moved:

That five hundred copies in English and three hundred copies in French of the final report of the world economic conference in Geneva, May, 1927, be printed forthwith, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

NIAGARA GORGE BRIDGE COMPANY

Mr. F. WELLINGTON HAY (North Perth) moved that in accordance with the recommendation contained in the third report of the select standing committee on miscellaneous bills the fees and charges paid on Bill No. 25, to incorporate Niagara Gorge Bridge Company be refunded.

Mr. SPEAKER: I would ask the hon. gentleman if there has been a report tabled on this matter?

Mr. HAY: I could not say, Your Honour, as to that.

Mr. SPEAKER: I cannot accept the motion without a report. The motion will have to stand.

Motion stands.

LIVE STOCK AND LIVE STOCK PRODUCTS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved for leave to introduce Bill No. 61 to amend the Live Stock and Live Stock Products Act.

Mr. TOLMIE: Explain.

[Mr. Bourassa.]

Mr. MOTHERWELL: This bill has for its purpose the providing of a system of grading beef voluntarily, either for export or for home consumption.

Motion agreed to and bill read the first time.

VALIDATION OF ORDERS IN COUNCIL

Hon. CHARLES A. STEWART (Minister of the Interior) moved for leave to introduce Bill No. 62 relating to the submission to parliament of certain regulations and orders in council.

Mr. GUTHRIE: Explain.

Mr. STEWART (Edmonton): The object of this bill is to give validity to certain orders in council and regulations passed from the year 1906 onward to about 1915 or 1916, the omission being that these documents were not reported to the house as provided for by law.

MR. GUTHRIE: What kind of orders in council and regulations were they?

Mr. STEWART (Edmonton): They have reference to the Railway Belt Water Act, chap. 47 of the statutes of 1912, the Dominion Forestry Reserves and Parks Act, the Dominion Lands Act, the Rocky Mountains Park Act, and the Yukon Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PAYMENTS FOR PRIVATE CARS

Mr. WOODSWORTH:

1. During the past five years, what amounts have been paid to the C.P.R. and the C.N.R. respectively, for carrying special cars for: (a) cabinet ministers; (b) the Governor General; (c) official visitors?

2. In case of free service by the Canadian National, what would be the value of such service according to commercial rates, for each class mentioned above?

Mr. RINFRET:

Department of External Affairs:

1. (a) No information; (b) no information; (c) 1922-23, C.P.R., no amount paid, C.N.R., $1,148.95; 1923-24, no payments made either to C.P.R. or C.N.R.; 1924-25, no payments made either to C.P.R. or C.N.R.; 1925-26, no payments made either to C.P.R. or C.N.R.; 1926-27, No payments made either to C.P.R. or C.N.R.

2. No information in this department.

Privy Council department:

1. (c) Paid Canadian Pacific railway:

1927—Official visitors..	$ 2,465 94
Paid Canadian National railways:	
1925—Official visitors..	747 02
1927—Official visitors..	10,529 28
Total..	$13,742 24

2. No information.

Department of Railways and Canals:

1. (a) Nothing; (b) nothing; (c) nothing.

2. No separate record is kept of such movement by the railway management, and to take out this information would necessitate a special and particular search of all train service records of every division of the entire Canadian National system over a period of five years. This would take so much time, and cost so much money, that the management noes not consider it in the public interest to undertake the work.

Department Secretary of State:

1. (a) $2,145.30 (C.N.R.) upon the occasion of the reception and (b) installation of the Governor General in October, 1926; (c) none.

2. No information.

PRINCE EDWARD ISLAND—PAYMENTS FOR LEGAL SERVICES

Mr. MACDONALD (Kings):

1. What is the total amount by the various departments of the government for legal services, in the province of Prince Edward Island, during the calendar year 1927?

2. What are the names of the parties to whom said moneys were paid, the department making the payments and the nature of service rendered in each case?

Mr. RINFRET:

Department of Agriculture:

1. $89.40.

2. J. J. Johnston, $47.55—prosecuting on account of infraction of egg regulations; Geo. J. Tweedy, $41.85—services re search of title, etc., of Fitzgerald property.

Department of National Revenue:

1.

Customs and Excise Division..	$1,526 45
Income Tax division..	35 86
Total..	$1,562 31

2. S. S. Hessian, Montague, P.E.I.; Saunders & Campbell, Summerside, P.E.I.; G. S. Inman, Charlottetown, P.E.I.; A. C. Saunders, Summerside, P.E.I.; McKinnon & McNeill, Charlottetown, P.E.I.; N. McLeod, Summerside, P.E.I. Professional services in each case. Bell and Tanton, Summerside, P.E.I., for services in connection with collection of Income Taxes.

Department of Marine and Fisheries:

1 and 2. $20 paid to Heath Strong, K.C., re prosecution of Vernon Boyles for violation of fishery laws.

Department of Public Works:

1. $55.40.

2. G. S. Inman, Charlottetown, legal services re purchase of wharf property at Stanley Bridge, $42.05; Albert C. Saunders, Summerside, legal services re purchase of site for Kensington public building, $13.35.

Department of Immigration and Colonization:

1. Payments by the soldier settlement board to the extent of $105.45.

2. S. S. Hessian, $83.50; Stewart and Lewis, $21.95; both of which amounts were paid in connection wth the purchase of farms for settlers.

REPRESENTATION OF NOVA SCOTIA

On the question:

Mr. SMITH (Cumberland):

What steps, if any, have been taken by the government to give Nova Scotia its full representation in the House of Commons, as provided for under the terms of the British North America Act, which, according to the population of Quebec (excluding Abitibi) at the last Dominion census entitles us to fifteen members, while we were allotted only fourteen members under the last Redistribution Act?

Mr. SPEAKER: I think this question will have to be redrafted. According to standing order 44, first paragraph:

Questions may be placed on the order paper seeking information from the ministers of the crown relating to public affairs; and from other members relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except as far as may be necessary to explain the same.

The hon. member will note that the question he offered is not in accordance with standing order 44 as it states an opinion. I would therefore ask him kindly to re-draft his question.

Mr. SMITH (Cumberland): I asked this question at a previous sitting on the orders of the day, and on the suggestion of the Prime Minister I put the question on the order paper.

Mr. SPEAKER: I am sure the hon. gentleman acted in perfect good faith, but he will see that the question being oral, it may be that the right hon. gentleman suggested that it should be put on the order paper. If the

hon. gentleman will kindly re-draft his question in accordance with rule 44, it will be answered.

Question dropped.

ALBERTA COAL LANDS

Mr. ADSHEAD:

How many acres of coal lands are there in the province of Alberta to which patents in fee simple have been issued?

Mr. STEWART (Edmonton): I think I have given the hon. gentleman the information requested and I would ask him to drop the question.

Mr. GUTHRIE: The rest of us want to know the answer.

Mr. STEWART (Edmonton): All right, I shall be glad to bring it down.

Question stands.

INDIAN SCHOOLS

Mr. HOCKEN:

1. Has the government bought, or agreed to buy, any industrial or boarding school used on behalf of Indians in the treaty, at or near or on any Indian reserve in the provinces of Saskatchewan, Alberta, or Manitoba?
2. If so, from whom, how much was paid for them, and when was the vote submitted to parliament?
3. Is the government now under any obligation to buy any more schools of this class, and from whom?
4. By whom was the price settled, and on what basis?
5. Were independent valuations made of them, and by whom?
6. At the time that these schools were built, did the persons or organizations building them have any authority from the department or Indians to establish or build such a school?

Mr. STEWART (Edmonton):

1. Yes.

2. Muscowequans Indian residential school at Lestock, Sask., from the Oblate Fathers: $55,000: session 1923.

Round Lake Indian residential school at Stockholm, Sask., from the Presbyterian Church and Rev. H. MacKay: $23,000: session 1923.

Pine Creek Indian residential school at Camperville, Man., from the Oblate Fathers: $89,000: session 1924.

Cowessess Indian residential school at Marieval, Sask., from the Oblate Fathers: $70,000: session 1925.

3. No.

4. By the department and the church authorities, after valuation.

5. Yes—

Muscowequans—R. W. Caswell, Saskatoon, Sask.

[Mr. Speaker.]

Round Lake—L. Thomson, Wolseley, Sask.

Pine Creek—F. C. Hamilton, Winnipeg, Man.

Cowessess—S. O. Holden, Indian Head, Sask.

6. Yes.

RADIO—NEW BRUNSWICK LICENSES

Mr. HANSON:

1. How many persons residing in New Brunswick have been fined during the year ending February 20, 1928, for not having a radio license?
2. How many informations have been laid against residents of New Brunswick during the same period for the said offence?
3. How many of said informations have been withdrawn?
4. How many informations for the same offence during the said period have been laid against residents of the county of Madawaska?
5. How many convictions have been recorded against residents of the county of Madawaska during said period?
6. How many informations against residents of the county of Madawaska have been withdrawn during the said period?
7. If any such have been withdrawn, on whose representations?
8. Were any representations made by any member of the provincial legislature?
9. If so, by whom?

Mr. CARDIN:

1. 21.
2. 42.
3. 21
4. 21.
5. Nil.
6. 21.
7. Prosecutions were withdrawn after it had been established that persons had applied for licenses and were unable to obtain them owing to the fact that the person selling licenses at Edmundston did not at the time have a supply of license forms on hand.
8. Not to the Department of Marine and Fisheries.
9. Answered by No. 8.

PRINCE RUPERT RANGE FINDING FACILITIES

Mr. BRADY:

1. Has any complaints been made to the Minister of Marine and Fisheries or to any official of the government on behalf of several masters of vessels carrying grain from port of Prince Rupert to Europe who complained of having suffered inconvenience and loss of time through the services of a range finding station not being available close to the port of Prince Rupert?
2. Has the Department of Marine and Fisheries been requested to establish such range finding station?
3. If so, is it the intention of the minister to accede to the request?

Mr. CARDIN:

1. Yes (by the Prince Rupert board of trade).

2. Yes.

3. There is already a radio station established and working on Digby island, at the entrance to Prince Rupert harbour, for communication with vessels entering and leaving Prince Rupert.

ARMISTICE DAY

Mr. BARBER:

In view of the request of the Canadian Legion, is it the intention of the government to declare November 11 (Armistice day), a national holiday?

Mr. MACKENZIE KING: The matter is under consideration.

MALONECK POSTMASTERSHIP

Mr. CAMPBELL:

1. What were the reasons for the dismissal of Mr. W. S. Jones from the position of postmaster at Maloneck, Saskatchewan?

2. On whose recommendation was this dismissal made?

Mr. VENIOT:

1. Mr. Jones was dismissed in order to place post office in its former location, which was more suitable.

2. When change of location was made the present postmistress was recommended by a number of residents whose request was forwarded through Mr. George McPhee, M.P.

TRANSLATION—FRENCH SPEECHES

Mr. CAMPBELL:

Why was the speech of the honourable member for Laprairie-Napierville (Mr. Lanctôt) delivered in this house on April 11 last not translated into English and sent out to subscribers of the unrevised Hansard in accordance with the resolution passed by this house March 9, 1921?

Mr. SPEAKER: The resolution of March 9, 1921, directs that speeches delivered in the French language be translated and printed on the Monday following delivery. The speech of the hon. member for Laprairie-Napierville (Mr. Lanctôt) was delivered on April 11, 1927, and translated, but prorogation intervening on Thursday, April 14, no issue of Hansard appeared on the following Monday The translation does appear in the revised edition of the Official Report of Debates.

SMITHERS POSTMASTERSHIP

Mr. BRADY:

1. Who is the present postmaster in Smithers, British Columbia?

2. When was he appointed?

3. What is his salary?

4. What was the revenue from said post office during year ending 1927?

Mr. VENIOT:

1. J. M. Adams.

2. 15th June, 1917.

3. Total remuneration, including commissions and allowances for current year is approximately $2,250.

4. Revenue for year ended 31st March, 1927, was $4,329.46.

HOUSE OF COMMONS STAFF

Mr. BOUCHARD:

1. What are the names of the returned soldiers employed on the permanent staff of the House of Commons?

2. What are their present occupations?

3. How many male and female employees are there on the temporary staff of the House of Commons?

Mr. SPEAKER:

1. Lt. Col. H. W. Bowie, Sergeant-at-Arms; Maurice Ollivier, Joint Law Clerk; Marcel Gabard, Editor of French Debates; Lt. Col. R. Girard, Debates Translator; P. M. Bernard, Debates Translator; J. P. Chevrier, Debates Translator; H. Vallières, Debates Translator; H. A. Charbonneau, Assistant Chief Messenger; Andrew Fairnie, Messenger.

2. Answered by No. 1.

3. 155 male; 178 female.

QUESTION PASSED AS ORDER FOR RETURN

MCCONACHIE CASE

Mr. ROSS (Kingston):

1. For what reasons was the McConachie child refused admission to Canada at the port of Halifax?

2. What officer recommended the rejection of the above mentioned child?

3. When was the father of this child admitted to Canada?

4. At what port did he enter?

5. How has he been employed since his admission to Canada?

6. What medical officer examined this child in the old country previous to sailing for Canada?

UNOPPOSED MOTIONS FOR PAPERS

VICTORY HOSIERY MILLS, REGISTERED

Mr. MORIN (St. Hyacinthe):

For a copy of all correspondence, telegrams, communications, and other documents on file in the Department of National Revenue, concerning a claim for drawback on a consignment of wool imported from Great Britain by Victory Hosiery Mills, Registered, of St. Hyacinthe.

OIL REGULATIONS

Mr. GARLAND (Bow River):

For a copy of all orders in council passed during the last seven years which deal with oil regulations.

UNITED STATES EMPLOYMENT SITUATION

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): I desire to ask a question based on the following despatch from New York which appeared in the morning edition of the Ottawa Citizen:

Police to-day quelled a disturbance by five hundred men and boys who stormed the twelfth floor offices of a downtown concern in answer to newspaper advertisement for a sixteen dollar a week job.

Will the Minister of Immigration and Colonization (Mr. Forke) be kind enough to ask his officials at the border to notify any Canadians, who intend going to the United States after hearing this debate, of the terrible unemployment situation in that country?

Mr. SPEAKER: The hon. gentleman should give notice of his question.

LOUISBURG WIRELESS STATION

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): In view of the fact that Nova Scotia fishing vessels are now being equipped with radio receiving sets, and further in view of the fact that the main portion of the fleet will sail next week, is it the intention of the government to open the Louisburg station immediately to broadcast weather reports and other news, and if so, when?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): That broadcasting station has not yet been opened because we have not received the equipment. We did not buy the equipment because no information had come to us that the fishermen were ready to instal receiving sets on their vessels. But lately representations have been made by the fishermen that they are ready to instal receiving sets on their vessels. We have therefore ordered the necessary equipment for that station, and as soon as that equipment is received and installed we will start broadcasting weather conditions from that station.

REPARATIONS COMMISSION

On the orders of the day:

Mr. J. A. CLARK (Vancouver-Burrard): Will the Secretary of State kindly lay on the table the report of the reparations commission?

Hon. FERNAND RINFRET (Secretary of State): I hope to be able to do so very soon.

[Mr. E. J. Garland.]

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Tuesday March 6 consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I deprecate the idea of prolonging for a single moment this long protracted debate. At the same time, in justice to the people who are kind enough to have some degree of confidence in me, whether they reside in my constituency or elsewhere, I feel bound to explain the vote which I am going to give at the end of this debate. I propose to vote, first, for the subamendment presented by the hon. member for East Lambton (Mr. Fansher), second, against the amendment presented by my excellent friend the hon. member for St. Lawrence-St. George (Mr. Cahan)—

Some hon. MEMBERS: Hear, hear.

Mr. BOURASSA: I am glad to hear for once the good old Tory party applaud anything I say. Third, I propose to vote for the motion of the Minister of Finance (Mr. Robb), and I propose to do this in the very spirit that has been evinced by members sitting in this corner of the house, the Progressives. I wish to co-operate, first, with the groups with which I feel myself more in sympathy, namely, the Progressive group and the Labour group, not because I agree with everything they propound, but because it seems to me that they are playing in our political life, especially with regard to economic and social matters, a very useful role from which members of both parties, or even men wandering in no man's land as I am, can derive some benefit. Then I propose, in the same spirit of co-operation, to help the Liberal party rather than the Tory party as at present constituted; and in this latter form of co-operation, which I propose to give as long as matters and parties stand as they are at present, I propose to co-operate with liberal-minded Liberals to counteract the influence of Tory-minded Liberals who sit to my left. What has brought me into trouble once in a while in the past with the good old Liberal party, was precisely the penetration in the minds of several members of that party of some of the Tory heresies. My dear old

friend, Sir Wilfrid Laurier, used to say: "Never mind all the harm that Bourassa is doing to our party. There is one thing I am sure of—he will never be a Tory." I cannot bring my mind to the point, which I am afraid my excellent friend the hon. member for Peace River (Mr. Kennedy), is on the verge of reaching, that if you find something wrong with some people, you must ally yourself with people in whom you find no right at all. I cannot see any logic in that, and as between the two parties as at present constituted and inspired, I intend to stand for the lesser evil of the two.

With regard to the budget, I am not so much interested in it, if at all, as being the legal machinery for squeezing money out of the people's pockets and spending it to the advantage or disadvantage of the country, but rather in its possible and probable effects upon the various currents of social and economic life of the nation.

It seems to me—at least my little study of history has convinced me of this—that what has made British policy and British administration, especially under the broad-minded influences of such men as Bright, Cobden and Gladstone, was that they were not so much concerned with getting and spending the people's money as with attending to the needs of all classes of the people while carrying on their duty as administrators of public funds.

Let us take first the taxation system, and first of all the tariff. I speak quite freely on this matter because I have never professed to be a free-trader on principle. I well remember the time when, at my first election, I refused to endorse the program of my party one article of which was to wipe out every vestige of protection; not that I believed in protection, but I did not think it was then possible to effect an economic revolution by a stroke of the pen. I could not bring my mind to the point of promising to the people something which I considered could not be done. But with the passing of time I have come to the conclusion that protection as an economic policy, and the levying of customs duties as the principal means of filling up the treasury of the country, are unsound and contrary to the true social interests of the people. My objection to protection grows from year to year as I see its results, and first with regard to the self-consciousness of the population. Most people in our country, or in any other country afflicted with a high tariff, do not realize the amount of money which they pay either into the public treasury, or still worse, into the private purses of the protected industries.

Second, holding the views I have as to the social requirements of every country, and especially of a young country like ours, in need of a large and growing population adapted to its conditions, I consider that every form of taxation which strikes primarily at the family, and particularly the large family, is the worst form of taxation. The levying of customs duties and the payment of indirect taxation is precisely that portion of our taxation which is most heavily borne by large families, and the most ignored by the very people who pay most of it.

Then with regard to industry itself, the tendency—I will not say in every case, or in every country, or with every industry—but the general tendency of a protective policy is to make the manufacturer who plants his industry, and makes it grow under the protection of an artificial instrument, sluggardly and backward in his process of manufacturing. Of course, our friends on the other side of the house, British as they are, but so thoroughly Yankee in their mentality, always quote as an example the great republic to the south; but they forget that American industry, American manufacturers and American distributors of articles manufactured under a highly protective tariff, sell those goods in an open and free market of one hundred and twenty million consumers, whilst in Canada, on the contrary, so long as our consuming population remains what it is, the tendency of our manufacturers is to give to the consuming public their products more or less as they come, without much care as to the process by which they are manufactured. It is sufficient to have travelled several times in foreign countries to find out that several articles that are produced by our manufacturers do not come up in workmanship and finish to the standard of goods manufactured either in low-tariff countries like England or in high-tariff countries like Germany.

Another objection I have to the maintenance of the protective policy in Canada is precisely one which appeals most, it appears, to the Minister of Trade and Commerce (Mr. Malcolm), to whose very able speech I listened with much interest. May I say by way of parenthesis that the minister, so far as my humble self is concerned, has done something which rarely happens in our parliament? He has changed a vote in this house; he persuaded me to vote for the amendment of the hon. member for East Lambton (Mr. Fansher). I cannot bring myself to the point of enthusiasm which the hon. gentleman has developed for protection that not only helps in developing the natural resources of Canada but helps also in the creation and maintenance in Canada of artificial industries, the products of which are

imposed upon our people at higher prices than they are worth, simply because of the maintenance of a tariff policy which has been denounced for twenty-five years at least by the party to which I belonged for a number of years, and with which I wish to co-operate, but in the hope that they will gradually abandon their tariff policy to come nearer the Liberal policy that we advocated together.

Strange to say, in the recital which the hon. gentleman gave of these magnificent artificial industries prospering under our tariff, he mentioned, if I remember aright, the cotton industry. Of course, no cotton will ever be grown on the soil of Canada. He also mentioned the rubber industry. But strange to say, he made no mention of the woollen industry. While having no principles on these matters, being somewhat in the same state of mind as my good friend and neighbour (Mr. Neill)—who is not here at the moment, but whose speech of yesterday I have read with much interest—I think that if some protection is needed it should be especially for those industries which make or could make use of Canadian products. With regard to the woollen industry I agree largely with the argument that was presented to us by the hon. member for South Waterloo (Mr. Edwards) a few days ago. But I would make any protection granted to the woollen industry in this country conditional upon their making use of Canadian wool, and that protection should not cover that part of their industry which uses imported foreign wool.

Likewise with regard to sugar, I would be in favour of some form of protection being given to the sugar industry, provided the sugar refiners were forced or induced to make use of beets grown on Canadian soil, rather than sugar cane grown in Cuba or in other islands in the south. It is in that manner that France, Germany and Belgium have built up a magnificent natural industry which helps the beet grower, the manufacturer of sugar and the public also, and has freed those countries from the monopoly exercised for many years by the sugar cane growers of America.

Mention has been made in this debate about encouraging the building of pulp and paper mills to manufacture our pulpwood. Well, taking the situation generally in Canada, from the little knowledge I have of it—and I have some knowledge because the constituency I represent is one of the large suppliers of pulpwood—I think we have all the large industries in this regard that the paper consuming market will be able to stand, not just now, but a few years hence. Every informed man, every man interested in the making and trading of paper, realizes that, thanks to the rivalry of those two or three great trusts that are dividing between themselves the wood of our forests and our water powers, we are approaching a crisis in the industry. Therefore, I do not say, let us encourage the building of more paper mills; I say, rather, let us look after the small individual, the small taxpayer, let us give a chance to the settlers, to the owners of small forest reserves, thousands of whom are still endeavouring to carry on in the forest lands or in the colonization parts of New Brunswick, of Quebec, of Ontario, but who find no market for the by-products of their wood. After studying the investigations that have been made during the last thirty years I sincerely believe that Canada, and especially the three provinces just mentioned, is every year losing millions of dollars worth of wood, which is simply being allowed to rot on the ground because there is no other industry yet created or encouraged in Canada but the saw mill, the pulp mill or the paper mill; and these do not make use of such by-products.

Just a few days ago I met a young enterprising chap living in my constituency who, having cut wood for others for several years, decided to do something for himself. He went to Europe and visited the various countries where they make the fullest use of all kinds of wood. He bought the necessary machinery for the purpose he had in view, instruments for the transformation of the by-products of wood, and returned to Canada. In due time that machinery reached this side, and he was charged something like 35 per cent duty. I claim, sir, that this is not an intelligent policy. We should give every encouragement to the small industrialist to make use of the by-products, which are nothing to the large concerns, but which mean much to the farmer, to the settler, to the small jobber—as we call him in Quebec and Ontario—and thus help the development of local industries of which we have so much need.

And here comes my fifth objection to the protectionist policy as it has been applied by all governments and parties in this country during the last fifty years. It has not only created an unbalanced industry, but it has gradually deprived various portions of our provinces of the small industries which were centres of social and economic life and concentrated those industries in the large manufacturing cities of Ontario and Quebec. Here my opinion is supported, as far as the maritime provinces are concerned, not by a rabid free trader, not by any exponent of the old theories of British and Canadian Liberalism

—at least in our party conventions of the past—but by one of the most distinguished members of the Tory party, a man who held a portfolio in the Unionist government, Mr. McCurdy. Time and time again he has made some very striking arguments against the application of the so-called national policy, going to the length of stating that it had ruined the maritime provinces, that it had deprived those provinces of their legitimate economic development and transferred their industries to the great manufacturing centres of Ontario and Quebec.

Not only does this policy work towards the concentration of industry, it also works towards a concentration of wealth. Sir, I do not think I am a pessimist. In spite of my white hair I have kept a good deal of the optimism of youth, but I really consider with a pang of fear the apparent aloofness with which most of our public men, our publicists, our leaders of thought, regard or disregard that tremendous growth of industrialism, I will not say supported, but handicapped by those atrocious processes of over-capitalization which now are practically putting the whole of Canada in the hands of a few trusts. The men in control of those trusts not only hold the strings of the public and private purse, but at the same time they are creating an artificial wealth, a fraudulent wealth, a wealth which does not arise from labour, which does not arise from the mental exertions of men, but which is simply created by a fraudulent abuse of law and public confidence in such a manner that for an industry which demands, let us say, $20,000,000 in capitalization, $60,000,000 worth of paper will be issued. Of this, some $20,000,000 will be distributed to the gamblers on the stock exchange or others who will pay ready cash for paper which is worth nothing, and another third will be distributed among the swindlers as common shares, and the public will have to make good the dividends upon that so-called capitalization, which is nothing but a steal at the expense both of Canada and its citizens.

Then if to these instances, which may be common to us and to other countries, you couple the fact that day by day a larger proportion of the natural resources of those industries, national in their scope, and a large proportion of that wealth, real or fictitious, legitimate or fraudulent, is passing from the hands of Canadians into the hands of foreigners, and especially of Americans, I say it is high time that those men who cry out—some sincerely, others for electoral consumption—Wave the flag! God save the king!—it is high time, I repeat, for them to say: Let us save Canada for Canadians. Let us not encourage foreign financiers and their political tools by handing over to them the inheritance of generations of Canadians, a national inheritance that it is our duty to transmit to our descendants; let us not have it sold to a handful of American speculators who come here, pick up associates among politicians of all parties, purchase the goodwill and the advertisement columns of the newspapers of this country, and are gradually preparing the economic absorption of Canada by the great country to the south of us. Any man who has any knowledge of human nature or of history should be aware that no country situated as Canada is, alongside a country constituted as the United States, has ever been able to resist political annexation and national absorption once it had allowed all the sources of its economic life to pass into the hands of the masters of finance, the masters of policy and the masters of industry of the larger country. This is a further reason why I am in full sympathy with the small membership of the Labour group, a group which is not numerous but which enunciates and propounds some ideas that, while perhaps not agreeable to you or to me, have been courageously and consistently expressed. That group, I say, has had the courage consistently to demonstrate that by losing sight of these factors of economic life we are running the risk of a danger which possibly we may realize when it is too late to meet it.

Another objection I have to the maintenance of the protective system as applied to a country like ours is its effect upon the masses of the people. No one who has given even a little time to a consideration of the conditions under which the labouring masses have worked for centuries can help a feeling of pain in comparing the situation of thousands and hundreds of thousands of men and women labouring in this year of our Lord 1928, under a so-called democratic system of government, with the conditions under which labourers and artisans of the twelfth and thirteenth centuries existed. Then, in the small local organization, the common labourer served a hard apprenticeship; nevertheless he lived a family life with his patron. He learned all the essentials of his craft and from an apprentice he grew to be a companion. After he had acquired a knowledge of all the intricacies of his work, he made his chef d'œuvre and took rank among the masters of his art or craft. To-day hundreds of thousands of our economic slaves toil away in large industries in which they are nothing more and nothing less than annexes to the piece of machinery in conjunction with which they work. Take a shoe factory,

for example. In the province of Quebec there are thousands of men and women working in these factories; one will operate this machine and another that machine; they will concentrate their attention upon this or that part of a pair of shoes. But not one of them can make a pair of shoes. And the same is true of all other large industries; this is the condition of modern industrialism. This is the condition which has been brought about by the conjunction of a highly protectionist or industrializing policy with the state of things introduced by the replacement of small craft by large industry.

Now I offer a word in regard to our population problem, and in this connection I express my belief with the utmost sincerity and without any desire of offending my Conservative friends. But taking conditions as I know them, especially in the province of Quebec, having lived as I have done for half a century alternately in the city and in the country, I thoroughly believe that the over-industrialization of Ontario and Quebec, the concentration, as I have described it, of industries in a few large centres, has done more to uproot our rural population from the land, transplanting them first into these industrial centres and then directing them on to the United States. I do not believe that an upward revision of our tariff would remedy the plague of emigration to the United States, with which we have had to cope in the past and which is so serious at the present time. Not only would such an upward revision of the tariff not solve the problem, but I really believe that if we want to keep our population at home, if we want to preserve as much as we can the ethnical, the moral, the intellectual and the economic integrity of this country, we should endeavour, not to imitate our American neighbours but on the contrary to make it quite clear to our people and to every other people on earth that, while entertaining sentiments of friendship with our neighbours, we have pride enough and confidence enough in the geniality of our Canadians, in that splendid combination of French and English traditions, to create in Canada an entity which, while perhaps comparatively small in numbers, will develop harmoniously. To this end, I say, our fiscal policy must not be a weak replica of that of the United States, nor on the other hand must it be a servile imitation of the British policy; it must be a Canadian policy inspired by a thorough knowledge of Canadian conditions and adapted to the needs of the Canadian people. If we do this we shall come to the same conclusion at which my Progressive friends have arrived, perhaps from a somewhat selfish point of view

[Mr. Bourassa.]

—because we are all more or less moved by self-interest. The hon. member for Wetaskiwin (Mr. Irvine) was candid enough to express this in the magnificent speech he delivered the other day. At any rate, if these selfish views coincide with the interests of Canada, why refuse to accept them because they happen to be put forward by a group which is neither Liberal nor Conservative? Why should not this great party welcome such ideas, thus demonstrating that it is broad enough to propound a true national policy comprising the best ideas that may be obtained, from whatever source they come?

If we want to develop Canada economically on a solid basis, our attention must be directed primarily to rural problems and to the maintenance of our population on the farms. We must create such living conditions as will render the farmers of Canada, east and west, to whatever race they belong and whatever language they speak, a happier people. We must make Canada a happier place to live in than the United States. Some manufacturers may cry out, some financiers who like to speculate, not so much in industry as in the incorporation of companies and the amalgamation of trusts; and they may purchase some complacent papers to denounce your policy. But if you stick to it with courage and intelligence, you will reap, in the hearts and minds and finally in the votes of sound thinking Canadians, a compensation far greater than you will need to offset such contempt as you may receive at the hands of sharks who have no object in view save to enrich themselves with the assistance of this party or that group—and even with my own help if they could get it.

For all these reasons, therefore, I support the subamendment. I support it because it expresses the desire for a prompter and more adequate reduction in the tariff. And for the same reason I am unable to support the amendment though it was presented by a very dear friend of mine. I read the hon. gentleman's speech with a great deal of interest, as I read all his deliverances. But while reading it I could not help recalling the time, many years ago, when I was still interested in sports. His speech, coupled with the motion at the end, appeared to me as the strenuous exertions of a stout football player endeavouring to kick a soap bubble. In that gassy motion the word "protection" does not appear. But knowing, as I have known for thirty years, the good old Tory party, I am sure that if the nigger is not in front of the wood pile he is behind it, if not in it; and I am afraid that until the wood pile is burned down and until the nigger gets

what he deserves—that is to say, until he is hanged to the nearest cherry tree—I cannot trust either the nigger, or the wood pile, or even my excellent friends, among them the hon. member for St. Lawrence-St. George (Mr. Cahan), who usually stands in front of the pile because he, at least, is open-minded and open-mouthed.

But there is one point upon which I would like to repeat the warning I took the liberty of giving my Progressive friends a year or two ago. Holding the views they do with regard to protection, and being more sanguine than I am of doing away with the tariff as soon as possible, how is it that they still cling to their old shibboleth of an increased British preference? In the budget this year we find a measure similar to that adopted by the government of Australia; on all goods imported under the so-called British preference it is stipulated that they must contain material or labour of the country of their supposed origin to the extent of 50 per cent of their value. I advocated the introduction of some such measure last year, or the year before; and this is one of the reasons why I am going to support the budget. I will not enlarge upon that however, beyond saying this: Do not my friends realize that by adhering to the British preference they are playing into the hands of the arch-pontiffs of protection in Canada, England and the world over? Do they not realize that this is the great hope of that handful of men who have inherited the glorious though disputed memory of the great Joseph Chamberlain, the most outstanding of whom at present is that imperial visitor whom we had the honour of receiving some weeks ago? I refer to Mr. Amery, who has been going around the world advocating the policy to which these gentlemen appear to be attached. Do not my friends realize that the reasons why the English protectionists stick to that policy and do all they can to coax and flatter the dominions into its adoption and maintenance, is because therein lies their only hope of ever bringing the British people to the support of protection, which the British nation rejected in disgust under the clear-sighted guidance of Cobden and Bright, whose memory, still cherished by the true English Liberal, is openly cursed or disdained by the English protectionist?

There is something more than that. Mention has been made, I think by the hon. member for Southeast Grey (Miss Macphail) and by my friend the Minister of Justice (Mr. Lapointe), to the attitude taken by the economic conference at Geneva with regard to the tariff question. May I inform the house that I had the great advantage of being in London before the program presented to the Geneva conference was given to the press. I met the gentleman who prepared that program, whose name is of course well known as one of the noted economists of the day, not only in the British Empire but throughout the world. Sir George Paish was kind enough to give me an advance copy of that program as well as copies of the answers received from the representatives of the largest financial institutions in the various countries of Europe. In reading over that correspondence I was struck with the objection raised by the French and the Italians.

My friend the Minister of Justice was unfortunate enough to quote a German; before the war the word of a German would have gone a long way with the Tories, because the Tories in this country as well as in England were the greatest admirers of everything German. Since the war, however, they have changed, in their expressions at least, although I do not know of any single Tory in Canada or in England refusing to deal with a German when there is a good bargain to be made.

The Italians and the French, however, were the first to raise an objection, and they made in effect this answer to Sir George Paish: "As long as in any of the contracting parties at Geneva, or between them and some of their political associates such as Great Britain and the dominions, a system of imperial or national preference is maintained, it is useless to talk of a tariff reduction the world over". This is quite obvious. Foreign nations do not want to be trapped in this regard into anything similar to the so-called truce policy launched by Mr. Winston Churchill in naval matters, before the war, when on the one hand he offered Germany a truce in ship building and on the other, by secret correspondence with the dominion governments, encouraged the construction of those ships which the British government pledged themselves not to build. So long as we maintain the principle that as between British and foreign nations we disregard the law of free trade or freer trade, so long will it be impossible to bring the foreigner to agree with us on a general, world-wide reduction of tariffs.

Now, sir, passing to the other items of taxation under these proposals, I will content myself by saying briefly that I approve in a general way of the reductions made by the Minister of Finance, with some few objections. I have already told the house the injustices which occur under the sales tax, by which some small manufacturers, operating

in small centres for the benefit of the farmers who surround them, are placed at a disadvantage. Of course they will benefit by these reductions, but once more in all friendship I ask the Minister of Finance to try to see his way clear to exempt entirely from the imposition of that tax those small manufacturers who make use of the by-products of wood, for example, to help the farmers in the surrounding country. Surely they are not such serious rivals to the great lumber industries or the pulp industries, which are capitalized at millions of dollars, that they cannot be left free of that tax.

From the same social point of view I approve of the further reduction in income tax in favour of families having to support invalid dependents, and I hope this means an exemption of $500 for each invalid supported by the father.

Mr. SPEAKER: Time is up.

Mr. BOURASSA: Is it? I am glad, for your sake and for my hon. friends.

Some hon. MEMBERS: Oh, oh.

Mr. BOURASSA: And I especially thank hon. members of the opposition for the great applause they have given a speech which may help them reconsider some of their views.

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, it is with some degree of regret that I rise to take part in this debate, and I do so because of a certain peculiar circumstance. It is not a pleasant experience to be asked to resign one's seat in this house, and particularly is that so when, as in my case, I have had the honour to represent a splendid constituency for over ten years and have been successful in four general elections. Nevertheless, this is a contingency which I may have to face.

There are some comforting features of the problem, however, which I may also mention. First, the suggestion does not come from any of my own constituents; again, I am not the only member involved, because all the members representing British Columbia constituencies are in the same position, and in the third place the suggestion is not due to any sins of commission or of omission on my part, but results from the failure of this government to take effective action in a matter which is deemed by the people of British Columbia to be of vital importance.

I have come to the conclusion that I should take this house into my confidence. A short time ago I received a communication from an organization in British Columbia, the United Farmers of Canada, British Columbia section, which is stated to be 100 per cent farmer and 100 per cent co-operative. This communication is dated at Sayward, Vancouver island, 11th February, 1928, and is addressed to the hon. the Premier, hon. ministers of the crown, and members of the legislature of British Columbia, now in session at Victoria, B.C. It reads as follows:

Gentlemen:

Whereas, the legislature of this province has for many years expressed itself as being in favour of the total exclusion of orientals; and where as the legislature is supposed to represent the views of the people; and whereas, by the recent statements of the Hon. A. M. Manson, attorney general of this province, oriental penetration is more menacing at the present time than at any other period in the history of British Columbia; and whereas federal members who represent the electors of this province in the House of Commons at Ottawa, have moved for an exclusion act to apply to orientals; and whereas the Hon. Mackenzie King, Premier of Canada, and hon. leader of the Liberal party, has expressed himself as being against the passing of an exclusion act, we, the British Columbia section of the United Farmers of Canada, hereby request that the Hon. Dr. MacLean, Premier of British Columbia and leader of the government now in power in British Columbia, do move at the present sitting of the house, and that Mr. R. H. Pooley, house leader of the Conservative party, do second the following motion:

"That it is the opinion of the legislature now in session, that in the interest of this province, it is necessary to forcibly draw the attention of the people of Canada to the seriousness of oriental penetration into the social and business life of British Columbia, and to show to the federal government in Ottawa, that British Columbia is determined to have enacted an exclusion law; and also to give the electors of this province an opportunity to express themselves on this important issue; that the present legislature recommends and requests all federal members representing British Columbia at Ottawa, to immediately resign their seats as members of parliament and return to the people for re-election on the excluison act issue."

Now, Mr. Speaker, had it not been necessary to reply immediately to this communication I might have taken the oportunity of conferring with you as to the proper answer I should make, but owing to the fact that my speaking in this debate has been delayed I had to acknowledge the communication without consulting with you. I did so on February 22, and said this:

I beg to acknowledge receipt of your circular letter of the 11th instant, for which I thank you. As I see it, the idea behind the suggested resolution set out in your circular is that to show to the federal government at Ottawa that British Columbia is determined to have enacted an exclusion law, the legislature of the province of British Columbia should recommend and request all federal members representing British Columbia at Ottawa, to immediately resign their seats as members of parliament and return to the people for re-election on the exclusion act.

With all due deference to the enthusiasm and bona fides of your members, it seems to me that your proposal should be reconsidered,

as I am afraid it would be impossible to gain anything for the cause of oriental exclusion by taking the course you suggest. As a matter of fact, twelve of the fourteen members representing British Columbia are Conservatives, and are pledged to support oriental exclusion. The only other two members are the Hon. Dr. J. H. King and Mr. Neill; the latter has come out very many times in favour of exclusion, and it seems to me you should direct your attention to the Hon. Dr. J. H. King and ask for his resignation. It might be possible to hold a contest such as you suggest in Dr. King's constituency, as he, of course, supports the Prime Minister who says openly that he is not in favour of exclusion.

I would be pleased to have further advices from you in this matter.

Now the hon. Minister of Health and Soldiers' Civil Re-establishment, speaking on March 1 in this debate, had something to say on oriental exclusion, and I think he tried to give the house the impression that the people of British Columbia were very well satisfied with the action which had been taken by this government in connection with orientals. He referred to our Winnipeg convention, and said it was a dandy convention. Well, so it was a splendid convention. It was attended by some fifteen or sixteen hundred delegates from all over Canada, and at some of the meetings there was an attendance of over five thousand people. It was a splendid convention, a very enthusiastic convention, and a very satisfactory one in many ways, particularly in the selection of a leader of whom we are all proud. The hon. minister (Mr. King, Kootenay) said on the occasion referred to:

I have only to refer to the resolution passed by that convention with reference to oriental immigration which was sponsored by the Conservative members from British Columbia.

I can tell the hon. minister, who of course was not present at the convention, that the resolution in question was sponsored by more than the members from British Columbia. The question of immigration was referred to a committee consisting of some eighty men and women representing all the different parts of Canada, and this resolution was brought in by them. If I remember correctly its adoption was moved by the Attorney General of New Brunswick. It was supported, as I say, almost generally in the convention. Only one voice was raised against it, that of Sir George Foster, that staunch Canadian statesman, who for many years has been one of the leading figures in our history, and for whom we have all the greatest respect. Sir George Foster did not object to the idea of keeping out the orientals but he did object to the use of the word "exclusion."

Mr. MACKENZIE KING: That is my objection too.

Mr. McQUARRIE: The Prime Minister says that is his objection. Well, so far as that goes I do not know that anything objectionable will be found in the resolution itself. I have a copy of it here.

Mr. KING (Kootenay): The resolution seeks to prevent people from coming into the country.

Mr. McQUARRIE: If the minister will control himself for a few moments I will read part of this resolution. I am not going to read it all because there are some eight items altogether and only one deals with the matter we are discussing now. This is how it runs:

Whereas, the present Dominion government's immigration and colonization policy has proved a failure both as to its plan of admission, distribution and administration—

I suppose the minister will agree to that.

Therefore resolved, that Canada adopt an aggressive system of immigration based upon the selective principle and with that end in view efforts be directed to . . . .

8. Oriental exclusion.

Now there is nothing in that resolution which says that any measure which may be brought in should be labelled "exclusion law." It is not so at all.

Mr. MACKENZIE KING: May I ask my hon. friend if he agreed with the interpretation he is now putting on the resolution?

Mr. McQUARRIE: Certainly.

Mr. MACKENZIE KING: That is as far as he wishes to go, is it?

Mr. McQUARRIE: Certainly.

Mr. MACKENZIE KING: Then we are not very far apart.

Mr. CLARK: What other interpretation could they put on it?

Mr. McQUARRIE: That has always been our interpretation.

Mr. MACKENZIE KING: Then we are not very far apart.

Mr. McQUARRIE: Perhaps the Prime Minister will not agree with me later on. It seems to me that we are quite a distance apart. All we are contending for in British Columbia is that orientals should be kept out of our country. We do not care whether you call this exclusion or prohibition or anything at all, so long as they are kept out, and this resolution goes only so far as to say that efforts should be directed towards oriental exclusion, which means keeping them out. On May 8, 1922, this house had a full dress

debate on the question of oriental exclusion, and through the kindness and consideration of the Prime Minister a whole day and a whole evening were devoted to that question. I am not going to deal exhaustively with what was said on our side or what was said by the Prime Minister and his supporters. Anyone who is interested can look up the debate of May 8, 1922, and read the discussion for himself. But what happened on that occasion was that every Conservative member who was in this chamber at the time voted in favour of my resolution, which was one calling for oriental exclusion. The government introduced an amendment which called for effective restriction, and that was passed. The house was willing to give the government an opportunity of carrying out some measures of effective restriction. How has that satisfied the people of British Columbia? How has it worked out? The Minister of Soldiers' Civil Re-establishment (Mr. King) also said:

> I make that reference because there never has been an election in British Columbia since 1900, provincial or federal, during which the Conservative party have advocated a white British Columbia.

Mr. KING (Kootenay): Will my hon. friend read on?

Mr. McQUARRIE: That is what my hon. friend says. I am not going to read his whole speech, but I take issue with the minister and I say that in no election, Dominion or provincial, since 1900 or even prior to that time, has any Conservative candidate ever advocated any other policy than that of a white British Columbia.

Mr. KING (Kootenay): But my hon. friend fails to tell the house they advocate that when they are in opposition, but when they are in power they do not act and they have done nothing to bring about exclusion.

Mr. McQUARRIE: We have not been in power for some time.

Mr. KING (Kootenay): The Conservative party was in power for a long time.

Mr. McQUARRIE: When I first came into this house the condition I found was that the people of the east were not entirely familiar with the situation which existed in British Columbia. I found that Conservative members as well as Liberal members for British Columbia had been endeavouring to impress upon the house the seriousness of the situation which then existed. I think the minister will agree that it was necessary for British Columbia members to do a considerable amount of missionary work and they did that to the best of their ability. When I first came into this house at the time of the Union government, some other questions of importance were taking up the attention of the government.

Mr. KING (Kootenay): What about the period from 1911 to 1914?

Mr. McQUARRIE: Perhaps the minister has forgotten about it, but at that time a war was in progress and I do not think the minister would suggest that, during a war such as we had on our hands then, it would have been good policy for any member from British Columbia to get up in this house and move an exclusion resolution.

Mr. KING (Kootenay): If the hon. member will read my speech he will see that I made that exception, and I suggested that between 1911 and 1914 and between 1918 and 1921 the hon. member's party had an opportunity of doing something.

Mr. McQUARRIE: I do not believe in going back into the past. I do not think any more credit is due in the past to the Conservative party in the Dominion house than to the Liberal party in reference to this question, and I do not think so far as that goes, you can find any Liberal member from British Columbia—except the minister himself who, of course, is in a very peculiar position—who is not in favour of exclusion of orientals. I have no doubt when the minister gets out on the hustings he tells the people of my province that he is in favour of a white British Columbia.

Mr. KING (Kootenay): My action will always be that followed consistently by the Liberal party. They have always been progressive.

Mr. McQUARRIE: What has happened? The orientals, particularly the Japanese, have been coming into British Columbia and they have been increasing at such a rate that the oriental question is the livest issue in the politics of that province. I find in a return, which was brought down at the request of the hon. member for Comox-Alberni (Mr. Neill) that in 1927 there were ninety-four Chinese admitted into Canada under permit, and of these forty entered as actors and actresses, four as missionaries and three as teachers. Thirty-five of the ninety-four have already left the country. In the same year, 493 Japanese entered Canada, of whom 118 were adult males, 277 adult females and 98 children. So we see they are still coming in, although the Prime Minister has stated that there are already too many orientals in British Columbia.

The Attorney General of British Columbia has been very active in regard to this oriental question. I have read in the press that discussions are going on from time to time in the provincial legislature in reference to this subject, and I have in my hand the Vancouver Daily Province of Thursday, March 1, 1928, which makes this statement—I am not going to read it all, but I will give the house a short extract. The article is dated at Victoria, March 1, and reads:

Members of the legislature, without regard to party, were invited by Attorney General Manson, Wednesday, to meet him informally and draft a resolution appealing to the parliament of Canada to halt oriental penetration into British Columbia.

To halt it, if you like:

This unexpected invitation, following the commencement of debate on the whole oriental situation, which interpreted as the government's answer to Conservative demands for oriental exclusion and the abrogation of the Canadian-Japanese treaty. What attitude the government will take in the framing of a non-political resolution on the oriental problem was not indicated definitely by the attorney general, but in a carefully-worded speech he urged the house not to embarrass the Canadian government and the British government in dealing with Asiatic peoples. He would propose a resolution, he said, which would seek to avoid any offence to the sensibilities of oriental nations, at the same time protecting the rights of British Columbia.

This sudden new turn was given to the oriental debate after C. F. Davie, Conservative of Cowichan-Newcastle, had moved his resolution calling for the abrogation of the Japanese treaty, and after W. F. Kennedy, Conservative of North Okanagan, had moved as an addition to this proposal, that the house favour the total exclusion of Asiatics from Canada.

It appears from statements that have been made in this debate that the situation in British Columbia has become most acute inasmuch as the orientals are getting into all lines of industry; they are going on to the farms and into the factories; their merchants are taking locations on the leading business streets in all the large cities and towns in British Columbia; they are entering into every walk of life in our country, and more than that, in British Columbia at the present time, according to Mr. Davie, out of every five adult males in the province one is an oriental. And still they are allowed to continue to come in. The attorney general has, as I say, been very active. He is asking for exclusion. The British Columbia legislature time after time has asked for exclusion and has also asked for the abrogation of the treaty between Great Britain and Japan which I think is known as the treaty of Commerce and Industry, which was entered into in 1911 and ratified by this house in 1913. The attorney general brought up the matter at the Dominion-provincial conference which was held in Ottawa last fall, and according to the press of British Columbia, Mr. Manson pleaded for action by the Dominion government. I have here the report of that conference. Mr. Manson says that he made the representatives present at that conference sit up and take notice, that they were not aware of the real conditions until they had heard his speech. He says:

They expressed their astonishment when I told them that whereas the increase of our own children attending school in the last three years was only six per cent, the increase of Japanese children attending was seventy-four per cent in the same period. I told them that the time was coming when British Columbia would be nothing more than a British-Oriental community, and that they must expect the yellow races to cross the rockies and invade the provinces in the east as they had done on the coast. It is no use dealing with this problem by stabbing at it with resolutions; what we want is a solution on broad national lines!

In the report of the conference issued by this government I find a reference to the same subject, at page 37, as follows:

Mr. Manson dealt briefly with the oriental problem from the standpoint of his province and of the Dominion. He advised consideration of this by the federal government.

I find in the provincial report of the conference, published in the British Columbia Public Service Bulletin, a reference to the same subject. At page 163 it says:

A great many matters affecting this province were discussed at the interprovincial conference, or taken up with the federal ministers by Hon. Dr. MacLean and Hon. A. M. Manson, Attorney General, who accompanied him to Ottawa, including the need for firm action in regard to prohibition of oriental immigration.

I do not see much difference between prohibition and exclusion. It seems to me a very strange thing indeed that this government will not pay any attention to the representations which it receives from the government of the province of British Columbia, and it is also very strange that the Minister of Soldiers' Civil Re-establishment would give this house to understand that the people of British Columbia are satisfied with present conditions.

Mr. KING (Kootenay): I have never said so.

Mr. McQUARRIE: There is another strange anomaly to which I would call attention, and that is the attitude of the attorney general of British Columbia, a strong man of the Liberal party, in regard to oriental immigration. The other day in the Supreme Court of Canada, through his counsel, Mr.

W. E. Williams, he contested the authority of the government in any way to restrict the issuance of licenses to orientals. The Minister of Soldiers' Civil Re-establishment may not be aware of that. He takes credit to this government for having done something in regard to the curtailment of the issuance of fishing licenses to orientals. I give them that credit also, but I would at the same time say that it was my privilege to move the resolution which resulted in the curtailment of such licenses. Licenses have been cut down very materially. There was a time when the orientals controlled the fisheries of British Columbia—absolutely controlled them—but now, owing to the action which has been taken, the orientals are not getting as many licenses as they would like to have, and the number of orientals in the industry has been materially reduced. What will happen if the contention of the attorney general of British Columbia is correct? It will mean that the regulations which have been passed are bad. It will mean that any oriental in British Columbia who is a British subject, and desires to do so, may obtain a license to fish. I have here extracts from the factum of Mr. Williams, counsel for the province of British Columbia.

Dealing first with the right to receive a license to fish, he said:

> It is submitted that all subjects of the king, resident in Canada, have the right to fish in tidal waters.

He goes on to cite the authorities, and then proceeds:

> It is not yet quite clear that the capacity in parliament to regulate fisheries enables parliament in the case of tidal water fisheries (where the right is a public right) to abrogate the right.

And again the authorities are cited.

Mr. STIRLING: Who is Mr. Williams?

Mr. McQUARRIE: I believe he is a law partner of the attorney general.

Mr. KING (Kootenay): Was.

Mr. McQUARRIE: I notice in the last Vancouver telephone directory the name of the firm Williams, Manson & Gonzales. However, I accept the statement of the minister that Mr. Williams is no longer the law partner of the attorney general, and in any event I do not comment upon that at all. He continues:

> If parliament is "the competent legislature" to abrogate the public right of fishing, by first abrogating the right parliament could then confer a discretion upon the minister to refuse a license to fish, because the public would then have no rights in the matter beyond what parliament saw fit to give.

[Mr. McQuarrie.]

This course has not been adopted. The public right of fishing has not been abrogated. The right exists, and no discretion has been reposed in the minister to refuse a license to fish.

And he quotes section 45 of the Fisheries Act. He goes on:

> It is submitted that all the regulations submitted in question 3 are ultra vires of section 45 of the Fisheries Act. Subsection (e) does not enable the minister to refuse a license where the right to fish exists. There is a duty upon the minister to issue the license to any applicant who has a right to fish.

So I say it seems to me that there is something wrong in the attitude both of the provincial government and the Dominion government in regard to oriental matters, because on the one hand we have the Dominion government refusing to keep out orientals, and on the other we have the provincial government ready to give orientals the right to fish in Canadian waters.

Now, Mr. Speaker, I wish to assure you that the attitude of the people of British Columbia towards orientals is not based upon any racial dislike or any failure to appreciate their good qualities, and when your honour goes to Tokyo as the first Canadian ambassador—for such is the rumour—I hope you will represent to the government and people of Japan that we have a great admiration for their nationals—provided of course they stay in their own country. I might mention other rumours that are circulating. We have heard, for instance, that the Minister of Justice (Mr. Lapointe) is to go to the supreme court bench; we have heard that the Solicitor General (Mr. Cannon) is to become Minister of Justice; we have heard that the Minister of Agriculture (Mr. Motherwell) will consent to go to one place only—the Senate, and we have heard that the Minister of Immigration (Mr. Forke) is to go back to the farm. But to return to the oriental question. It is demanding the attention of students and scholars from one end of Canada to the other. Only the other day I read with considerable interest the report of a speech made by Sir Arthur Currie, president of McGill university. While he takes issue with the Conservative party on the use of the word "exclusion," yet all his arguments point conclusively to the necessity for an exclusion law. He said:

> For the sake of the past and for the sake of the future, we are the people who must be the judges of the kind of civilization we hope to perpetuate in this land of ours.

I have under my hand a letter from Dean Brock of the university of British Columbia. Recently he attended a meeting of scientists in Japan at the invitation of the Japanese

government. To him was assigned the duty of speaking on the oriental question from the standpoint of Canada, and he told the conference very frankly the position which we take. Later on I heard him speak on this subject at a meeting of the Kiwanis Club in Vancouver, and I asked him if he would kindly give me a letter explaining exactly the Japanese stand in this regard. He wrote me under date of November 30, 1927. I cannot read the whole letter, but I will give the house those parts which are pertinent to the question:

The Japanese who attended the conference now recognize, and I think it may be taken for granted that their government will recognize—

1. That we have perfectly justified and satisfactory reasons for not wanting immigrants from Japan, and that these reasons are no reflection upon the honour of Japan or the qualities of the Japanese.

Recognizing the validity of these arguments, the leader of the Japanese in the discussion of this question, told me that they were very glad to have had this frank discussion; that they had not understood; that they now not only understood, but understood sympathetically, and that under similar circumstances the Japanese would take a similar position.

2. They recognize that emigration to America is no solution of their overpopulation problem, so there is no compelling reason for Japan to be interested in such emigration.

3. They have no desire for their nationals to go to a country where they are not wanted.

I would call the attention of the Prime Minister particularly to the fourth paragraph:

4. They have no objection to stopping emigration completely, if we want that.

Now, I ask, why has not the Prime Minister been able to make an agreement with Japan to stop absolutely the emigration of their nationals to Canada? Dean Brock says that if the Japanese were in the same position they would do exactly what we want done. That is borne out by an article that I read the other day in the Literary Digest for February 11, 1928. It is headed, "The Cry of 'Asia for the Asiatics'", and this paragraph will no doubt interest hon. members:

Domination of the orient by European and American forces is the reason given for the frequent raising of the cry: "Asia for the Asiatics", and it appears that the endeavour to unite the various peoples in Asia in a league to combat foreign influence reveals itself every so often in a Pan-Asiatic Congress. One such is recorded in the Calcutta Amrita Bazar Patrika as being held at Nantao, a suburb of Shanghai, and it is claimed that these meetings were attended by representatives from all Asiatic countries with the exception of the Philippines and Indo-China. Mr. Imasatu, who presided at the sessions, is said to have been "trained in the school of the late Count Okuma, whose life-long slogan was 'Asia for the Asiatics.'"

And the article sets out the resolutions which were passed at the conference, including the following:

With a view to serve humanity, the conference recommends that Asia, the cradle of religions, should send out religious missions to Europe, America, Africa, Australia, and other countries to convert the people. The conference, recommends unity among Asiatic nations, so that they, by mutual co-operation, may defend themselves against imperial aggression.

With a view to improving the conditions of the Asiatic nations, the conference recommends better commercial relations among the different nations of Asia.

Now, if we went to Japan we would not be allowed the same privileges that the Japanese enjoy in this country. In passing, may I say that there seems to be no good reason in the world why we should have an exclusion law against the Chinese, of which the Minister of Soldiers' Civil Re-establishment is so proud, when we are afraid to pass a similar law against the Japanese.

Mr. AIME LANGLOIS (Chambly-Verchères) (Translation): Mr. Speaker, I wish to add my congratulations to those already conveyed to the government for the excellent results of their administration as expressed in the budget proposals of the hon. Minister of Finance (Mr. Robb).

He apprises us of the great improvement realized in the economic situation of our national railways, of an important decrease in the country's debt, and of an appreciable reduction of the burden of taxes weighing on the Canadian ratepayers.

These results, clearly proved by statistics, have often been referred to in the house, during the course of this debate, so that I deem it useless to mention them again.

I am not far from the truth in stating that public opinion, generally speaking, is satisfied, and, I think that I am quite in order when submitting as evidence the approval of the Liberal press and a few Conservative newspapers, as for instance, the Ottawa Journal, the Gazette and the Montreal Star.

It is true that in connection with the reduction of taxation, our friends in the opposition delight in recalling that these taxes had been levied by the Liberals themselves. They, however, forget intentionally to mention that conditions in the country rendered these taxes necessary when the Liberals were recalled to power at the beginning of 1922. The last year of the Meighen administration, which comprised but nine months of the fiscal year, was liquidated by a deficit of more than $80,000,000. The previous year, the Meighen administration left a deficit of more than $90,000,000 to be

looked after. It was therefore evident that unless we allowed the deficits to accumulate, and destroy the confidence and credit of the country, we had to balance the budget and put in order a bad situation which had not been created by the Liberals.

It is therefore only fair to give due credit to the government for the relief given to tax payers by the lightening of their burden of taxes.

We must equally give it due credit for having dissipated forever the whisper of death which certain newspapers contended was hovering over the country.

During the last few years, each time the budget was brought down—the opposition foresaw the ruin of trade, industry and agriculture, because of the Liberal policy. It is interesting to compare these forecasts made in the house, especially during the course of the last two sessions, with the results which followed. It is a fact, Mr. Speaker, as mentioned in the budget speech, "that the annual statements, within the last years, of the leaders in finance and industry have revealed a great progress and a genuine prosperity in the country." The statistics in regard to our trade are most satisfactory. Our exports add up to more than a billion dollars, and our farming products are included in this for a very substantial amount. The figures showing our favourable balance of trade, compared to those of our population, place us in the front rank among the nations of the world. On the whole, our industries are also in an advantageous situation, and the daily reports of transactions on the stock exchange show up their steady progress.

The Canadian dollar, which for a time had depreciated to one-sixth and even one-fifth of its par value, has recovered its full purchasing power. Our trade treaties, which are often the object of attacks against the government, have nevertheless found for our products advantageous markets. It is a satisfaction to know that we have sold to the countries with which we have trade treaties for $79,000,000 more than we have purchased from them.

Not being able to deny the advantages of our economic situation, those who are trying to take away all merit from the government attribute the improvement to the intervention of Providence. Perhaps, they might become sceptical if, owing to this intervention and taking them at their word, we were to proclaim it a miracle.

The same scepticism haunts them, when conditions are less favourable. They then think no more of Providence but of the government, which, to their eyes is the cause of all evils.

The truth is that if the government may bear a certain responsibility when conditions are bad, it must also be given due credit when conditions are good.

An attempt is also made to prove that everything is decidedly wrong, by stating that poverty reigns among the people. It was said, very long ago, by a supreme authority: "You will always have poor people among you." All the nations of the world have verified the truth of this prophecy, and we do not escape the common lot. But when the great American nation and its wealth are constantly pointed out to us as an example, it is well to recall that in that country also, notwithstanding her policy of high protection, the majority of the people do not know what wealth is, that a considerable number of people there have difficulty in meeting their obligations, that the condition of the farmer is not so favourable as that of the Canadian farmer, and that poverty is known there as elsewhere. It is interesting to read on this subject the article "Wages and Prosperity" which appeared in the Canadian Congress Journal of February, page 17. Those who intend to go and live in the United States would do well to read this article before crossing the border.

As a whole, we have reason to be satisfied with general conditions, and to have faith in the future: our banks are sound; those who are in a position to give employment, are willing to give work, and each day we witness new enterprises springing up.

It would be proper at this time to express the wish that our great financiers, our wealthy manufacturers—induced by the eloquent remarks just made by the hon. member for Labelle (Mr. Bourassa)—improve and raise the lot of the labourer. Our tariff is harmful to no enterprise. Our manufacturers can meet competition on the home market, and they compete advantageously on foreign markets. Our organizations are thus more sound and have a better chance of developing than if their success depended solely on government protection. In fact, owing to our small population, our home market is rather restricted. We produce more than we can consume, so that we need outside markets. I am opposed to the solution which consists in opening wider the gates of our country to immigration, under the plea of developing our home market. In this century of intensive production, the increase of our population will always be exceeded by production, and the same problems will remain unsolved.

It would, perhaps, be better to restrict immigration somewhat, at least for the time being, and close the doors of this country to labourers who come to Canadian cities to replace our workmen. This restriction should last until the need of labour is felt. Of course, I am in favour of the policy which tends to open up our virgin lands; it would be wise in this regard to grant Canadians and our people living in the United States, who wish to take up new lands and make their home in Canada, the same advantages we afford to immigrants coming from Europe. What we must demand of our immigrants is that they be sound physically and morally: quality is more important than quantity. This restriction would have the effect of decreasing our emigration to the neighbouring republic, as Canadians would then have a better opportunity of making a living here.

If we placed any faith in the speeches of the opposition, we might, if we ignored history, be led to believe that the emigration of our people began under the present administration because the tariff had not been sufficiently increased. I was recently reading a pamphlet in which the author asserted that from 1880 to 1890, under the regime of the national policy of Sir John Macdonald, Canada had lost, through emigration to the United States, more than 850,000 people, and that, during the ten years of the Borden-Meighen administration, the floods of emigration had carried away 750,000 people; and that these figures had increased owing to the war, as stated yesterday by the hon. member for Beauharnois (Mr. Raymond).

When in 1919 this question was brought up in the house, the government then in power was not in a position to assure us that it had healed this wound by a high tariff, and through one of its ministers it gave this answer:

"Emigration to the United States is the result of the rapid expansion of industry and trade in the neighbouring republic and also of the numerous opportunities offered to youth to go into trade and business."

I can see there one of the reasons of the emigration of our people; I shall further add that the attraction of the American republic is increased by the fact that it is an independent nation, respectful of the freedom of its citizens, and animated by an ardent patriotism.

Canadian emigration started previous to the establishment of responsible government; the cause can be traced to the hardship of life and the lack of freedom in our country. It is therefore not proven that the protection vaunted by the Conservatives has been a sure remedy against emigration, or that the lowering of a few tariff duties by the Liberals has been one of the causes. The fiery speeches on emigration, far from bettering the situation, have but the effect of aggravating it,

In the past, politics has too easily had recourse to the art of dividing in order to govern. Our racial contentions have prevented the growth of a Canadian spirit and weakened the ties which kept our people here. At the least reverse people prepared to leave this country where the respect due to every one was ignored, where one could not live happily.

It is more than time to definitely abandon this narrow path, where too long we have lingered. At this stage, it gives me infinite pleasure to warmly thank the present administration for having carried on the Liberal work of 1896, and for having contributed in a large measure to bringing about good feeling in this country, to fostering Canadian patriotism by further asserting the autonomy of this country, by obtaining for Canada as a nation a distinct representation at the League of Nations, and by inaugurating our diplomatic representation in other countries.

Rather than sing the praise of the neighbouring country, let us celebrate ours; let us rejoice at our economic progress and let us try to emphasize it by sound legislation and the co-operation of our Scientific Research Council, which we should compose of our ablest minds, and to which we could confide the task of discovering the possibilities of success in the various spheres of life, thus facilitating the formation of new and Canadian enterprises for the general expansion and particularly rational development of our natural resources and industries connected with agriculture.

Let us not lend a deaf ear to the recriminations constantly coming from all parts of the country against the burden of taxation which weighs on us. These recriminations, while reminding us of errors of the past, implicitly tell us that more and more our policy must rest on the exclusive interests of our country.

Mr. Speaker, a state is not only a system composed of material interests; it must moreover possess a background of common thoughts. This background of common thoughts, I would wish it to be inspired by the love of Canada and consideration for the freedom and morality of the citizen and regard for his character and personality.

On that score, I am thankful to the government for what it has accomplished in the past

and I have faith in what it can do in the future; and that is why I willingly give it my support.

Mr. M. J. MALONEY (South Renfrew): I have listened for some weeks to numerous hon. gentlemen in this house discussing, with great eloquence and wonderful intelligence, the possibilities of our country. I have heard with patience, but more often with pleasure, several of my hon. friends, each with his own tale to tell, with regard to conditions as they affect the different portions of our Dominion. And I have come to the conclusion that Canada is indeed a difficult country to govern and that under ordinary circumstances the government of the day deserves commiseration rather than condemnation. If this government had really shown any effort to ameliorate conditions as they affect injuriously the great masses of our population, I for one at least should feel that it deserved our pity rather than our censure. But unfortunately one cannot sympathize with this government because—I at any rate am forced to this conclusion—it is not entitled to the pity of any citizen of the Dominion of Canada.

It is true a budget was presented to this house some weeks ago; it is true that the Minister of Finance (Mr. Robb) in presenting that budget spoke in millions. Nothing was too small for the minister in dealing with the finances of the country, and in a half apologetic way he claimed prosperity for Canada. Those of us, however, who sit face to face with the Minister of Finance, and who saw that far-away look on his face, were struck by the fact that he was looking out beyond the financial institutions of Canada, which institutions he invoked to prove his argument that Canada was prosperous. He was looking beyond the large banks and insurance companies and other financial corporations in the Dominion, looking out among the common people. He was looking to the labourers, the farmers and the merchants of Canada and the rest of the other 95 per cent of the people who make up the population and who are not benefited by this budget. For these he had no cure. He would say to the farmer, to the labourer, to the miner, to the merchant, "Look at the prosperous condition of our great banks." But these other people are not interested in this prosperity; what interests the labourer in this country is the answer to this question: "Where am I going to get a day's work with a decent day's pay?" The farmer is not interested in the millions of dollars the insurance companies and the banks are wringing out of the people of this country; he wants to know where he is going to get the money to pay the interest on the mortgage on his farm. The answer of the minister to all these men would be, "Gentlemen, I have no hope of bettering your condition financially. The only advice I have to offer you is to work; keep on working; work hard; save; be thrifty, and do not spend a dollar on the pleasures of life. In that way you will drag along all right." That is his answer to the 95 per cent of our population who are not affected beneficially by this budget. Go into the street in any section of this Dominion of Canada and talk to the average citizen, wherever you meet him. As I have said, he is not interested in the prosperity of the banks and our other big institutions; he wants to know where he is going to get work and what pay he can get for that work. Go to the miner; he is not interested in this prosperity. He would ask the Minister of Finance, "What have you done to protect the industry which is supporting myself and my family?" The minister could only answer, "I have done nothing. I advise you to work; keep on working and do not spend a cent." This is a sad picture, but it is true.

There is one thing about this budget; it has not been boomed as have recent budgets presented by this government, for the simple reason that it is a shifting budget, one which wobbles and states nothing definitely. It shows the wavering attitude of the government; it shows their fear and demonstrates that they have not the courage to grapple with the tremendous problems which confront the people of this country to-day. The minister claims that during the last four years his government have reduced the debt of Canada by $100,000,000, but he knows that during that same period our railway obligations amounted to much more than that sum, and he knows full well that those railway obligations are a black mark against the credit of Canada just as surely as any victory bond outstanding to-day.

The minister claims that this year he will reduce taxation to the extent of $19,000,000, but in an earlier paragraph in his budget speech he comes out boldly and tells the people of Canada that he expects to squeeze $10,500,000 more out of them this year than he did last year. This is the reduction in taxation. From whom is he going to squeeze this $10,500,000? Is he going to take it from those best able to pay? Is it going to come from the rich men of this country, from those drawing salaries or having incomes of $4,000, $5,000, $6,000, $8,000, or $100,000 a year? No; he knows very well that these are men of influence. Any man drawing a salary of

from $5,000 to $20,000 a year is usually a man of considerable influence in his own locality; the minister realizes that that influence may be required some day on behalf of himself or his associates, and he feels that he should get in strong with those men at present. He does so to the extent of reducing their burden by 10 per cent, so far as the income tax is concerned; he removes 10 per cent from the tax of the man who is able to pay it and shoves that additional burden on the shoulders of the man who is earning $2 a day and struggling to support his family.

The government claim to have reduced the sales tax, and they have reduced it. They have brought it back to where they found it in 1922, but in that very reduction they have again penalized the poor man as compared with the rich man. The hon. member for East Essex (Mr. Odette), in his speech a few days ago truly said that by virtue of this reduction of one per cent in the sales tax a man buying an automobile valued at $1,000 saved a ten dollar bill. That is quite true, but the hon. member forgot to bring joy to the heart of the labourer, the man earning $2 or $2.50 a day and endeavouring to support his family on that huge salary, by telling him that the next time he bought a pair of shoes for his little boy at a cost of $2 he would save two cents. If this man forgot to be thrifty for a while and became reckless enough to purchase a $5 suit of clothes for his little boy, he would save five cents. That is the reduction in the sales tax. If we must have a sales tax, Mr. Speaker, and if it is the desire of this government to maintain that tax, why not exempt boots and shoes and articles of wearing apparel? Such things as automobiles are not necessities of life; for the immense majority of the citizens of this country an automobile is a luxury, but clothing is an absolute essential. If this government are anxious to aid those who are feeling the pinch to-day they could do so very easily by removing the sales tax altogether from articles of wearing apparel, but I have no hope that this government will do so.

I am sure the trade conditions of this country are causing the government of the day some anxiety; trade figures are not quite so pleasant to read as they were a few years ago. The Minister of Finance told us the other day that in the first nine months of the present fiscal year our exports decreased by $28,000,000, and to make matters worse we were informed that our imports had increased by $56,000,000. If this continues the day is coming when Canada will be buying more than she sells, and we all know what happens to any man who spends more than he earns. That is the position in which Canada will some day find herself. I ask why such a condition should be present in this country, where we have tremendous natural resources which are capable of supplying not only our own needs but the requirements of foreign countries as well. Why should we be required to import goods which we can produce here in Canada?—it is an unfortunate thing that a large percentage of the importations into Canada are agricultural products and other foodstuffs. I do not attribute that at all to the Minister of Trade and Commerce. I believe him to be a most competent man, a sincere man, a man who is making every effort for the benefit of Canada, but he is hampered by those with whom he is associated. I believe that if the minister could act in accordance with the promptings of his own mind he would introduce a fiscal system in Canada which would abolish the condition of which I spoke a moment ago. He would bring in a fiscal system which would mean stability for our industries throughout Canada from the Atlantic to the Pacific. To-day he has protectionists on one side of him and anti-protectionists on the other, while in front of him are those who are neither protectionists nor anti-protectionists. Therefore he is hampered in his acts, and the only policy he can evolve to-day is one which contains a free trade wink for the west and a protectionist nod for the great province of Quebec.

It is true that our balance of trade is still on the right side to the extent of some millions of dollars, but it is unfortunate that that favourable balance of trade is created by virtue of the fact that we are exporting our raw materials. It is a deplorable thing that we are shipping out of Canada to be manufactured in foreign countries raw products, which should be turned into finished articles in this Dominion. Why should we allow our products to leave Canada in a raw state? We have citizens who are as intelligent as the citizens of any other land. We have artisans who are as expert and ingenious as those of any other country. Why is it then that we can not convert these raw materials into completely finished products in our own country? Some will say it is due to lack of capital. But in this country there are millions and millions of dollars lying idle, and outside of Canada there are billions of dollars awaiting a favourable opportunity for investment. Why can we not secure this money for the development of the resources of Canada? There is one reason, and one reason

only, and it is that the investor is afraid of the government we have. We have an unstable government, we have a group government, we have a government that will afford no protection of any kind to the man who is prepared to invest his money in developing our natural resources.

The tariff changes in the budget are insignificant, and I shall deal briefly with only one item, that which affects the woollen industry. I proclaim boldly that by the reduction of the duty on yarns coming into Canada, the Minister of Finance and the government are ruining the sheep growing industry in this country. Not only are they doing that but they are putting the spinning industry out of business. Furthermore, the weaving industry, an industry supposed to be benefited by this item in the tariff, will eventually be injured, because there is nothing in the wide world to prevent any private citizen supplied with yarn emanating from sweatshops in foreign countries from setting up a little plant of his own in opposition to an established Canadian industry. So even the industry referred to will eventually be injured by this tariff change. The county of Renfrew, part of which I have the honour to represent here, is admirably adapted to the growing of sheep, and the farmers of that section were hoping, as the years went by, to engage more actively in that industry. To-day the growing of wool, a most important operation, has been effectively killed by this government, and it passes my comprehension how any farmer in this house, no matter what his political affiliations may be, can stand up and defend the lowering of the duty on wool coming into Canada. This is a matter which the farmers of Canada, from one end of the country to the other, will watch very closely indeed. In addition to the wool grower and the spinning industry, there are other industries identified with the manufacture of wool. Despite what has been said by hon. gentlemen opposite to the effect that the industry has not been injuriously affected by any tariff changes, I wish to say that in the Ottawa valley at least five woollen factories have been closed down. The closing down of these five factories is undoubtedly due to tariff changes which have been brought into effect from time to time by the present administration.

All the departments of government have been under review during the last few weeks. The Post Office department has received special attention from several speakers who have preceded me, and it is in connection with some of the officers of that great department that I should like to speak for a moment. Reference has been made to post-

masters. They are an outstanding body of men, usually leaders in their own community, who are appointed because of their honesty and probity. These men—apart from those in the cities and larger towns—draw their salaries, as hon. gentlemen know, by way of commission from the revenues of the office. During the war, and for some time afterwards, the revenue of nearly every post office in the country was greatly increased because the ordinary postage stamp was employed where war tax stamps were necessary. Shortly after the conclusion of the war, for what reason I do not know, the government altered this condition. They made a change prohibiting the use of the postage stamp on cheques, or wherever a war tax stamp was required. That meant a huge reduction in the revenue of the various post offices and a consequent great diminution in the salaries of the postmasters, and this at a time when all civil servants were enjoying increases in salary. Then again, the present Postmaster General (Mr. Veniot) issued an unfair proclamation which declared that the box rents in villages and small towns would be in most cases doubled. What does that mean? It means that if you reside in a village or small town there is no letter delivery system you have to walk to the post office and pay twice the amount you formerly did for the post office box containing your mail, whereas in the large centres the mail matter is delivered absolutely free. It is true that this action raised the postal revenue somewhat and to a slight extent bettered the position of the postmasters. Now did the Postmaster General do anything further for that deserving class for whom I am pleading? He did. He guillotined politically 421 of them, and to that extent relieved the unemployment situation among his own political friends. Taking all the circumstances into consideration, the position of a postmaster in Canada to-day is not a desirable one, and if the Postmaster General continues the dismissal of this class of employee he will eventually find difficulty in getting men qualified to fill these positions.

The mail carriers are another body of officials who have received some attention and sympathetic consideration from a number of hon. gentlemen who have addressed the house in this debate. These men are performing an arduous and exacting task. Some of them are working long hours, travelling over rough roads, all in the country's service, and I have always thought that any minister, no matter how cold-blooded he might be, should blush with shame when he comes to sign his name to a contract which binds a man to perform the service these men are

performing to-day for the remuneration they are receiving. There will be, I believe, an application before the government for an increase up to $70 a mile. Why, in the United States, where they have real roads, the mail couriers receive $75 a mile as a flat rate; they have their annual holiday and they have sick leave and everything else. In Canada the courier has nothing; but if he were even secure in the contract which he signed with this government, that would perhaps be some source of satisfaction to him.

I have in mind the case of a courier in my constituency, a most excellent official, an estimable man in every way, whose only fault, whose only failing, lay in the fact that in 1926 he voted for me. He had a contract which had three and a half years to run and after that election was over, representations were made to the Postmaster General by some of his political friends in that constituency The Postmaster General was ordered to get that man, to get rid of him. What did he do? He instituted an inquiry, he had a questionnaire despatched to every box holder on the route, of whom there were some thirty in all. My information is that every one of those documents came back to the department of the Postmaster General strongly in favour of the courier who had that route, eulogizing him in every way and telling the department that the people in the district were entirely satisfied with his services. In face of that fact the Postmaster General deliberately cancelled the contract. I ask hon. members: Has it come to this in Canada, that a solemn contract entered into between the government of this country and a subject is no longer a contract, is no longer anything but a scrap of paper, to be torn up at the whim and will of a minister and some of those who advise him?

The Minister of Public Works (Mr. Elliott) has so far escaped attention for the most part in this debate, and while the matter to which I wish to refer will come under him, I do not for a moment accuse him of such reckless extravagance as will be shown by the item of which I desire to speak. It is proposed that we beautify the city of Ottawa. The Prime Minister (Mr. Mackenzie King) is, I believe, the father of that proposition. Since he moved out to Prince Albert he can think only of great, wide-open spaces, and if we continue him in his present position, a day will come when the great city of Ottawa will be wiped off the map and there will be nothing but a great, wide-open space in front of the parliament buildings. I understand it is the intention of this government to spend millions of dollars in tearing down and destroying perfectly good property in this city. We are all anxious to make Ottawa a model city; we are all anxious to beautify it so far as we possibly can; but when this goes to the extent of spending millions of dollars in pulling down and destroying property in the heart of the city, I believe that under present circumstances, with the debt and taxes the people of this country are called upon to pay, we are going too far. There are in this beautiful city many points which, at trifling expense, can be made more beautiful still, and the Prime Minister will have some trouble in defending his action in regard to the expenditure to which I refer. When he goes out among the people of Canada; when he goes out to Alberta; when he goes out to Prince Albert; when he goes down to Nova Scotia or any of the outlying sections of the country, he will have great difficulty in convincing the people there that an expenditure of $4,000,000 or $5,000,000 in the destruction of real property in Ottawa is of more importance than bringing the produce of Alberta and Nova Scotia to the central provinces. He will have difficulty in convincing the citizens of this country from the Atlantic to the Pacific that it is far better to destroy this property than to build a national highway from Halifax to Vancouver. He will have difficulty also when he comes before the citizens of Ottawa, because while many of them may favour the project, the taxpayer here is not enamoured of it; he hates to see millions of dollars of taxable property destroyed and a proportionately greater burden thrown back upon his shoulders. It is said that the Prime Minister will beautify Ottawa; that he is anxious to make Ottawa a city which will be the envy of the world. We admire him for that thought, but the stranger who comes within our gates, when he alights from the train in this city, would be far more favourably impressed by an imposing buiding than by a wide open space. An imposing building would indicate industry. Would the imagination of the visitor not be more stirred by seeing substantial buildings than by seeing park benches filled with the unemployed? So much for the question of the beautification of Ottawa.

Other matters have been touched upon by several hon. gentlemen who have spoken, but one which I might mention and which is another instance of useless expenditure is the question of the money which will be spent in establishing embassies in various foreign countries. It is proposed to establish embassies at Paris and Tokyo. Both of these, if they follow along the line laid down by

the leader of the government when he instituted the ambassadorial palace at Washington, will cost this country millions of dollars. The Prime Minister will have our ambassadors go to Tokyo and to Paris. Why? What benefit will they be to this country? Will they bring any more trade to Canada? Will they bring any wealth from those countries to assist in increasing the prosperity of our land? Not at all. Those ambassadors are going there as official representatives of this country, and if we ever have a chance to get into trouble, why, we shall have a man on the job to start it. Far better indeed if the government, instead of spending this money on embassies, would appoint half a dozen really live, up to date agents in those countries who could procure for us a market for our surplus produce which we should be able to send them in the manufactured state.

I should like to say a word to the Minister of Railways and Canals (Mr. Dunning), who made an excellent speech in this house the other day. His most effective point was the last one he made, in which he condemned group government. In that I agree with him wholly, absolutely and entirely; but I was greatly surprised that the Minister of Railways should condemn group government with the minister himself occupying an important portfolio in a group government. The bulk of the expenditure of the minister's department, so far as this section of the country is concerned, comes I believe under the management of the Canadian National Railways. Were the Minister of Railways in his seat I should like to direct his attention to the conditions as they exist in the county which I represent, and I would ask him to tell us, for the further information of the citizens of this country, who most heartily desire to know, whether the government of Canada is running the Canadian National Railways or whether the Canadian National Railways is running the government. We are anxious as loyal citizens of Canada to see the Canadian National Railways thrive and be successful in every way; but the minister who is responsible to the people should have some say in the operation of that road. Let me tell him that in the county which I have the honour to represent, between two points on the Canadian National railway system which are twenty miles apart, it takes two days to make a round trip direct; between two other points fifty miles apart it takes three days to make a round trip direct—all because of the fact that traffic from that particular line has been diverted to suit the whims of some other sections of the province. I am speaking on behalf of a district which is to-day shipping thousands and thousands of dollars worth of freight, a district which by hard labour is endeavouring to forge ahead and prosper. The people of that district are denied the railway facilities which should be theirs; the Canadian National Railway under the conditions which exist to-day does not meet the convenience of the people of that section.

Further, at one very important station on that line those who have business with the railway have been obliged during the last two years, to do business with the agents of the road in a very small box car. The station at Caldwell on the Canadian National railway was burned down some two years ago, and from that day to this no move has been made to replace it. The people of that important section of a great county, the revenue from which I am sure would pay many times over the cost of building a station, are therefore compelled to do their business with the railway in a small box car, a condition which is injurious to the health of the people, and I am sure causes great inconvenience and hardship to those entrusted with the conduct of the business of the road at that point. These are matters that I should like to bring to the attention of the Minister of Railways.

During this debate the Department of Immigration has been under review by several speakers. Last session the Minister of Immigration (Mr. Forke) was criticized, and criticized very severely. With that criticism I did not agree. The Minister of Immigration was a new man and I believed that whatever his political propensities or proclivities or changes of heart may have been, he was an honest man. He came into that department without much experience, and I felt that we should have deferred any criticism until later. That view I hold to-day. I believe that after this session is over, the Minister of Immigration will have learned something greatly to his advantage and greatly to the advantage of the important department over which he presides.

It is said that we need more immigrants in Canada. We do. Where should we first seek these immigrants? Should we go into foreign countries seeking foreigners? Our first duty, Mr. Speaker, should be to bring back to this country those of our own who have left. I have here the latest report of the registrar general for the province of Ontario, which shows that during last year he issued 17,284 birth certificates to native-born citizens of Ontario for the purpose of emigration. Those 17,284 native-born citizens of Ontario have left this country during the last year, without taking into account the thousands of others who may have been born in Quebec, the maritimes and the west.

Mr. T. W. BIRD (Nelson): Mr. Speaker, my hon. friend from South Renfrew (Mr. Maloney) has made a good speech. I admire the sturdy and robustious way in which he supports the principles of his party. However, I notice that he repeats the contention that our population is leaving us at a tremendous rate and seeking its future in the United States. I happened to receive to-day a copy of the monthly letter of the National City Bank of New York, and in paragraph 3 it deals with the unemployment situation in the United States of America. I will read the paragraph, which I think is an almost perfect answer to that part of the Conservative amendment dealing with unemployment. It says:

> One of the features of the present situation which is causing concern is the amount of unemployment. For some time it has been evident that the surplus of workers was gradually increasing, but only recently has the situation become sufficiently serious to command general attention. With the sharp slump in industry at the close of last year, employment has been cut, and both federal and state labour department reports indicate the level of active factory labour in December and January to have been the lowest since 1921.

I have read this as an answer to that part of the Conservative amendment dealing with unemployment.

At this stage of my speech, Mr. Speaker, I should be pleased if you would call it six o'clock.

Mr. SPEAKER: By leave of the house.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 8, 1928

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Third report of the select standing committee on miscellaneous private bills.—Mr. Parent.

PROCEDURE—QUESTION MADE ORDER FOR RETURN

On the orders of the day:

Hon. HUGH GUTHRIE (South Wellington): May I address you, Mr. Speaker, on a matter of procedure in the house with respect to question No. 9 which appeared on the order paper of yesterday. When the question was called, the hon. Minister of Immigration (Mr. Forke) announced that it was an order for a return, and tabled it forthwith. I find that the question is a very brief one; the answer likewise is very brief, and there is no reason why a question and an answer such as this should not appear upon the pages of Hansard. It would be a great convenience to the members of the house if such questions did appear upon the pages of Hansard. As it is, there is but a single copy of the answer, which goes into the office of one of the clerks of the house, and it is very difficult to obtain access to it, and when a number of hon. members desire to see it, almost impossible. I would ask in regard to a question and answer of this kind, which will not take up more than half a column of Hansard, that the question and answer be printed as of to-day in the proceedings of the house. I could, I suppose, put it upon the pages of Hansard by reading it, but I have no desire to take up the time of the house in doing so, and I would ask Your Honour to direct that the question and answer be incorporated in the pages of Hansard.

Mr. SPEAKER: Of course, I am the prisoner of this little book. Standing order 44, paragraph 4, says:

> If a question is of such a nature that in the opinion of the minister who is to furnish the reply, such reply should be in the form of a return, and the minister states that he has no objection to laying such return upon the table of the house, his statement shall, unless otherwise ordered by the house—

Not by the Speaker, but "by the house":

> —be deemed an order of the house to that effect, and the same shall be entered in the votes and proceedings as such.

If the minister has no objection and the house has no objection, what the hon. member asks may be done, but I am the servant of the house.

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I have no recollection at the moment as to just what the question was.

Mr. GUTHRIE: It refers to the McConachie case.

Mr. FORKE: There was no intention on my part not to have it put upon the pages of Hansard. It was sent up to me as an order for a return. I have no objection to having the question and answer read and put upon the pages of Hansard.

Mr. SPEAKER: Is it the pleasure of the house that this question and answer shall be incorporated in Hansard as tabled?

Mr. LAPOINTE: This should really have been decided yesterday, Mr. Speaker, but I have no objection at all so far as I am concerned, nor do I think the government has.

Mr. SPEAKER: By leave of the house, the question and the answer will appear in to-morrow's Hansard in full.

QUESTION

THE MCCONACHIE CASE

Mr. ROSS (Kingston):

1. For what reasons was the McConachie child refused admission to Canada at the port of Halifax?
2. What officer recommended the rejection of the above-mentioned child?
3. When was the father of this child admitted to Canada?
4. At what port did he enter?
5. How has he been employed since his admission to Canada?
6. What medical officer examined this child in the old country previous to sailing for Canada?

Mr. FORKE:

1. Margaret McConachie was refused entry to Canada because she was a prohibited immigrant under section 3, subsection (a) of the Immigration Act, mentally defective (feeble-minded).

2. A board of inquiry was held in this case and the rejection was ordered after the hearing of evidence, including that of a medical inspector at the port.

3. April 30, 1927.

4. Quebec.

5. As a miner in Nova Scotia.

6. Dr. J. Hudson Clifford, a roster doctor, of Bellshill, Lanarkshire, reported having examined the McConachie family including Margaret on November 1, 1927, and, his report being quite clear, the movement of the family to Canada was facilitated under the usual conditions; that is, subject to medical examination at the port of arrival. Margaret McConachie was not seen by any Canadian doctor prior to sailing.

BUSINESS OF THE HOUSE

REFERENCE TO COMMITTEES OF PRIVATE BILLS

On the orders of the day:

Mr. GEORGES PARENT (Quebec West): As there is already a good deal of private legislation awaiting action by the house, but which cannot be taken up while the budget debate continues, I would suggest, in order to expedite business, that the government and possibly the leader of the opposition (Mr. Bennett) could get together with a view to preparing a special motion for sending this private legislation to the various committees concerned.

Hon. ERNEST LAPOINTE (Minister of Justice): In answer to the hon. member, I do not see any private bills on the order paper for to-day, the reason probably being that the officers of the house knew that private bills could not be taken up. The question, however, raised by him will be given consideration, and if possible we might expedite the second readings of private bills.

HUDSON STRAITS AERIAL SURVEY

RECOGNITION OF HEROISM AND SKILL OF ESKIMO GUIDE

On the orders of the day:

Mr. JOHN MILLAR (Qu'Appelle): I would like to ask the government if they would be willing to give consideration to the matter of rewarding in some form or other the Eskimo guide who, through his great knowledge of the north country and great skill as a pathfinder, was able to save the lives of two intrepid airmen in the employ of the government.

Hon. J. L. RALSTON (Minister of National Defence): We have not yet had a full report regarding the parts taken by the various members of the party who were lost; we have only reports of efforts which were made by various individuals to assist in finding them. When the report is received I shall be glad to give consideration to the suggestion of my hon. friend.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Wednesday, March 7, consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. T. W. BIRD (Nelson): Mr. Speaker, as a western Progressive I was very much inerested in the speech of the hon. member for Marquette (Mr. Glen). It was a good speech but peculiar in some respects. In my reply to it I wish to avoid anything that could be interpreted as a personal attack. I have great respect for the hon. gentleman and, I may say, respect for the position he occupies. I quite realize that he and his colleagues are in the position they now occupy as much by the will of their constituents as by their own choice, and it would ill become me, or anyone else for that matter, to cast any slurs upon their motives. I think, however, I may well be pardoned if I reply to some points in his speech, especially as his remarks related to the subamendment

moved from this corner of the house. I noticed that my hon. friend did not criticize the substance of the amendment. As one who has been sent here by Progressive votes he knows only too well that that subamendment is a correct, precise expression of Progressive principles. It was these principles that created the Progressive party. It was these principles that sent sixty-five Progressive members to this house in 1921. It was these principles for which the Progressives fought over a period of four years on the floor of this house, first under the leadership of my hon. friend's predecessor in Marquette and later on under the leadership of the present Minister of Immigration (Mr. Forke). So we can well understand that my hon. friend has no objections to make to the subamendment in itself. If he objects to our moving it; if he thinks it is inopportune for us to move it, that may be attributed largely to his present hyphenated state of mind and not to any Progressive principles he may hold.

Let me turn to the reasons he gave for supporting the budget. Did he support it because of the policy of the government in respect to the income tax? Assuredly not. He knows that the policy of the government as expressed in the budget on the income tax is an unsound and un-Progressive policy. One needs only to turn to his speech of last year to find one of the best expressions of Progressive principles on that subject that one can find on any page of Hansard. No, he is not supporting the budget for its policy on the income tax. He knows that policy is wrong; that it is unjust; that it is diametrically opposed to all the Progressives have ever stood for. Is he supporting the budget because of its tariff schedule? Why, no. My hon. friend characterized the tariff schedule in the budget more severely than any other member I have heard speaking in this house. He called it unintelligible. That is an ugly epithet to apply to a budget of the Minister of Finance (Mr. Robb). We in this corner of the house agree with him, but we cannot see in that fact any reason why we should support the budget. On an examination of my hon. friend's speech it would almost seem that there is no very sound reason why he is supporting the budget.

There is however one ray of light. He tells us that he is supporting the budget because the manufacturers and their representatives on the left of the Speaker have been raising a howl about it. He has been in this house long enough to know that the manufacturers and their representatives in the house are in the habit of raising a howl about nothing at all.

Mr. MANION: I rise to a point of order. As one of the members to your left, Mr. Speaker, I object to being dubbed a representative in this house of manufacturers and I think the hon. gentleman should be compelled to withdraw that statement.

Mr. BIRD: I shall be pleased to withdraw the statement, and I hope the announcement of my hon. friend will not hurt the funds of the Conservative party at the next election.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I think the hon. gentleman should withdraw that expression and not aggravate it. I must say that to characterize an hon. member of this house as being a representative of the manufacturers is rather a stigma. Such a charge, if proved, makes any member liable to a very heavy fine and even suspension. I would ask the hon. member who has unwittingly made the remark, kindly withdraw it.

Mr. BIRD. My remark was laden with no animus whatsoever. There is a well-known animal—

Mr. SPEAKER: I take it that the remark is withdrawn.

Mr. BIRD: The remark is withdrawn and I was about to say that there is a well known animal that is in the habit of biting the hand that feeds it.

Mr. MANION: I rise to a point of order. I object to this hon. gentleman referring to me as an animal that bites the hand that feeds it. The manufacturers do not feed me and I resent that remark. It is worse than the previous one.

Mr. SPEAKER: I thought the hon. gentleman had withdrawn the remark. He should withdraw it.

Mr. BIRD: I was about to say, Mr. Speaker, that my hon. friend is not that kind of animal.

Mr. SPEAKER: Biologically a man is an animal; but this is an assembly of gentlemen, and hon. members should not be characterized as animals.

Mr. BIRD: I feel a very real regret, Mr. Speaker, for having made that accidental remark. I was dealing with the remarks of my hon. friend from Marquette with regard to the attitude of my hon. friends to my right who are in close association with the manufacturers of Canada and are in the habit of expressing or re-echoing the opinions of those manufacturers on the floor of this house. I would say to my hon. friend that that is not a safe guide to follow in supporting the budget. The

other day I clipped from the Financial Post an article headed "Tariff Change Not Bothering the Cotton People." That article is a complete answer to the only reason my hon. friend gave for supporting the budget. I think this would be a good time for me to read an extract from his speech of last session. I will give only a brief excerpt, but it is a very significant one:

If we may assume with confidence that the omissions from the budget are temporary and accidental, and that future budgets will both reduce the tariff and maintain the income tax as a permanent fiscal instrument, we shall feel fully justified in voting with the government. If, on the contrary, we must assume that the government is inaugurating a new policy looking to the abolition of the income tax and making only such changes in the tariff as are dictated by expediency and not by low tariff principles, we should be compelled to vote for the amendment. Which of these courses we are to pursue can be decided in only one way—we must have from the government a categorical and incontestable statement of its position in regard to future tariff reductions. Refusal to give such a statement must inevitably be construed as an admission by the government of a desire to depart from the policy of tariff reduction.

As a commentary on that speech let me quote from the speech of the hon. Minister of Railways (Mr. Dunning) delivered in the same debate. The member for Marquette interrupted the hon. minister by saying:

I take it from what the minister said, in reply to my address of yesterday asking for some assurance from the government in the matter, that the policy of the government is in the direction of lower tariffs, and that it is not the intention to abolish the income tax as a permanent fiscal instrument. Am I right in assuming that?

This is what the Minister of Railways said in reply:

My hon. friend must not put words in my mouth. The words I used were explicit and they were words behind which every member of the government will stand. I may remind the hon. gentleman of what my hon. friend the Minister of Finance has himself said. Some people tried to hold a pistol at the head of the Minister of Finance last year, we all know with what success; and those who try the same thing again, whether friend or foe, will find the same result.

That lesson must have had its effect upon my hon. friend within the ensuing twelve months. Last year he came down with a wild west demeanour, flourishing his pistol in the face of the government; but after twelve months, having been talked to by the Minister of Railways, he comes down in a very different spirit. He has found out that it is a very naughty thing indeed for a Liberal-Progressive to be toting a pistol around and flourishing it in the face of the government which he is supporting; and it is more than naughty, it is a very silly thing indeed, because the government has got a bigger pistol than he has, and when the Minister of Railways was speaking to him last year he had that pistol in his belt, and my hon. friend knew it.

An hon. MEMBER: A cannon.

Mr. BIRD: Yes, a cannon. So much for the extraordinary defence of the budget made by my friend from Marquette.

In the time that is left for me, Mr. Speaker, I may be allowed to make a few remarks upon the subject of group representation in this house. My hon. friend from Wetaskiwin (Mr. Irvine) made a very able defence of the group system the other day, and I do not want to cover the same ground. Fortunately group representation is more than a theory to be defended. It is a fact to be explained and to be understood, a fact that may be put to varying concrete tests. and I shall for a short time invite the house to join me in putting the idea of economic group representation to certain practical tests. First of all, let us look back and ask ourselves whether the economic idea in politics is not consistent with the development of parliamentary practice under the British system of constitutional government. I want to say emphatically that for the past hundred years the economic conception in politics has dominated and moulded British political life. Before that time undoubtedly there were political parties in existence, but those parties had no relation to parties as we understand them now; they represented a purely caste system in which the people had neither part nor lot. That was the age in which the party spirit dominated English public life. We go back to the time when, after the revolution, roundhead and cavalier—blessings upon their heads! because the warfare they carried on was real—gave way to Whig and Tory. From that moment the British people were committed to three generations of stagnation, not only in their political life, but in every phase of their existence with perhaps the one exception of material progress. But so far as material progress in the eighteenth century is concerned, it was associated with such practices as most of us of British birth blush to remember. I do not need to mention the horrible slave trade. Even the material advance of England at that time was a thing to be mentioned in a hushed breath. That was the age in which party politics blighted almost everything it touched. It contaminated the very springs of British life; it did not leave even

religion, art or literature untouched. Very fortunately that period came to a sudden and inglorious end in the French revolution and in the Napoleonic wars which followed. When the smoke of battle had rolled away the young giant of democracy was discovered stretching its mighty limbs and rubbing its drowsy eyes; and the most surprising thing of all was that out of its awakening heart there gushed forth a song more entrancing than anything that had been heard since Milton sang so gloriously the song of liberty. Those were the days when not only the political life and the economic life of England witnessed a rejuvenation, but when the very heart of England revived. I say that wherever an insincere party system is clamped upon a people it contaminates everything in the national life; nor can it help doing so. If you play upon the sincerity of the people and present to them alternatives that mean nothing, sooner or later you dry up the very springs of national life. That period was the heyday of the party system, and the opinions of the Minister of Railways (Mr. Dunning) are therefore coeval with Queen Anne and her queer skirts and funny furniture. Those were the days when the party system triumphed, when party shrivelled up the soul of England. But even in those days there were people who penetrated the insincerity of parties. Dean Swift, another Irishman who believed in group government, in his story of Gulliver, pours his vitriolic scorn upon the party system of that day. Gulliver went to Lilliput where he discovered that there were two parties of the old stamp: there were the Big Endians and the Little Endians, and the only difference between them consisted in the way they broke their breakfast eggs. The Big Endians broke their eggs at the big end and the Little Endians at the little end. It is the same to-day, only the egg of contention is the tariff. Now while those two parties in Lilliput waged their silly warfare there was a neighbouring prince from Blefuscu who took advantage of the strife and bled the people white, and I have no doubt he actually contributed to the party funds on both sides. This prince represented the big interests of the day, the only interests that ever profited by an insincere party system. Well, this sort of thing went on as long as it could until one day a prophet arose who discovered in the Lilliputian bible a certain passage which ran thus: "All members of the faithful shall in future break their eggs at the convenient end." Which was the convenient end? The convenient end was the end best suited to the varying sizes of mouths in Lilliput—because in those days they sucked their eggs. In other words, the common people in those days, like the common people of to-day, were suckers. But the time had come when they would be suckers no longer. They said, "This business of breaking eggs is ours; we are the ones concerned in it and in future we will break our eggs as we like." As I say, this state of things came suddenly to an end and democracy, at the beginning of the nineteenth century, abruptly confronted the old landed aristocracy with their childish and meaningless political wrangles. Whig and Tory gave way to Liberal and Conservative early in the last century.

I am by birth and early training a Conservative, and in my younger days I was taught to revere the teachings of Burke. At the beginning of that century Burke had laid deep the true principles of Conservatism and later on in the century, in various ways, from sources which the present Liberals would not own if they knew what they were, Liberalism also took its roots. And these two parties for a generation stood for something actual and real. But the generous spirit which begot them soon evaporated and once more England was filled with the meaningless din of party shibboleths. Anyone who wants to find out what politics meant to England in the early and middle Victorian periods should take a course of reading in Carlyle and Ruskin and Matthew Arnold. The party system in England created in that country in that age nothing but a sink of misery and ugliness; there was nothing in the industrial life of England of that time for which any Christian Englishman could find any defence. This condition of things could be traced directly to the unreal party system of the age. Fortunately, however, that period had its terminus, and after the 'sixties and 'eighties, after the enfranchisement acts of those periods, the farm labourer and the industrial worker began to realize their position; and before the end of the century there arose a party on strictly economic lines, a party which stood unexpectedly on the threshold of power and peremptorily demanded entrance. England at the end of the century was therefore committed to economic politics. The advent of the Labour party into the public life of England meant the re-orientation of British political life. One of the most significant things in British experience in recent times has been the investigation set on foot by the Liberal party into the industrial and economic problems of England. The English Liberal party, wishing to rejuvenate itself and to recover something

of its old glory, wondered once more how it might capture the imagination of the British people. It found that the old party platforms had no longer any hold on the popular intelligence and therefore, at its own expense, it initiated one of the most thoroughgoing industrial inquisitions that England has ever known, with the object of placing the Liberal party squarely upon an economic basis. The "condition of England question" has at last become an economic question.

My time is going. I have dipped rather insufficiently into the past, and I should like to take a quick survey of contemporaneous political life. When we examine the countries of Europe we find that in all that continent, wherever political enlightenment really prevails, every country is a multi-party country with a strongly economic flavour. Let us consider Denmark, that wonderful little country. The other day a prominent Canadian said that "whenever he addressed an audience on agricultural topics he became obsessed with Denmark, that wonderful little country which sets an example to the rest of the world in agricultural co-operation and intensive production. That is the country to which the Canadian National Railways recently sent a delegation of five hundred farmers to see how farming should be carried on, and Denmark is a typical multi-group country. In the election of 1924 there were four groups; the Social Democrats, who came to power; the Agrarians, next in strength; the Conservatives and the Radicals. Where are the Liberals in Denmark? They do not exist, because in that country politics rest securely upon economic questions, and a curious fact is that after the election in 1921 the strength of the parties was such that the Agrarians joined hands with the Conservatives in order to form a government. That proves that some of these speakers across the way were wrong when they discounted any possible co-operation we might give the Conservative party. In Denmark the Conservatives form the citizen class in the small towns, and unlike the dwellers in the small towns of Canada they know on which side their bread is buttered; they know they derive their living from the farmers, and when it comes to economic and political questions they join hands with the farmers.

The Minister of Railways dragged in Italy and Spain, but discreetly overlooked those northern countries. Italy and Spain are the most backward countries in Europe, and the minister said the present regrettable political conditions existing in those countries was due to the group system. Mr. Speaker, the present conditions in those countries are not due to the group system but to the persistence of a party system which has outgrown its day. In 1870, when Italy adopted union, the people divided up into parties consisting of the Right, the Left and the Centre. Those parties meant something at that time, but they quickly lost touch with the people, and for generations kept the people with their noses to the grindstone. They oppressed them; they kept them illiterate and ignorant. Forty per cent of the people are illiterate, and they were kept poor beyond all imagination. That was the condition against which the people revolted, and it is to the eternal honour of those Italians that they did rebel; it shows that they have something of the old spirit in them. They went to extremes, of course, but you cannot expect a people 40 per cent of whom are illiterate and with no political experience to do things wisely. I do believe, Mr. Speaker, that those blundering failures of Italy and Spain—because Spain is in exactly the same condition—are only temporary. Surely the people who inherit the political genius of a Machiavelli and the patriotic passion of a Mazzini will win through.

I will leave consideration of the United States, although I think that country presents the greatest object lesson of what a two-party system can do to a long-suffering people. I need go no further than the speech of the Minister of Railways to prove that the country to our south, with its two parties, is not exactly a happy country in which to live. The lower classes in the United States, the working men and the farmers on the prairies, have been suffering under an intolerable oppression under that insincere two-party system. President Wilson once said of his own country, "An invisible government has erected itself above the forms of democracy." That is what special privilege is doing all the time, and in the party system it finds its easiest tool. A few generations ago, when the privileged classes found that they could no longer use the gibbet and the quartering knife, they turned to the party system and have found it even more successful in oppressing the people, because so far as the British people are concerned it is always easier to fool them than to frighten them.

I desire now to come down to the parties as we have them in this house. We do not need to go to Europe to prove that the group system has a logical and inevitable place in public life in Canada; I need only point to the Labour party, whose existence in this house for several years is sufficient proof that labour has its own point of view. What about the farmers? In 1921 and earlier the farmers felt the pinch of economic pressure;

[Mr. Bird.]

they turned to the old parties, Conservatives and Liberals, for a way out. They were something like Alice, who became lost in the woods and who wanted to find a way out. She went to ask Tweedledee and Tweedledum —Dum and Dee. I think you know what Dee stands for; Lewis Carroll was, I think, a clergyman like myself, and did not like to say. As she went along the path she found that the sign boards pointing to their houses lead in the same direction, and at last she exclaimed "Why, I do believe they both live in the same house." When she discovered them, one had a very irritating way of answering questions by saying "Nohow" while the other said "Contrariwise." So when the farmers went to the old parties and asked them to lower the tariff, the Liberals said "Nohow" and the Conservatives said "Contrariwise." In 1921 the farmers of the west were lost in the woods of economic difficulties, but when they turned to the old parties they could get no help.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, in the first place may I be permitted to congratulate the house on the fact that the new forty minute rule is in operation for the first time during the course of a budget debate. I am one of those who had an opportunity of listening to a great many budget debates in this house, and I express it as my opinion that the new rule is working well, and that taking the general average, the quality of the speeches delivered since this debate began has been higher than that observable in previous debates. There has been more of concentration on the part of hon. members; they have been far more concise in their remarks, and I think the speeches which have been delivered from every quarter of the house have produced a better effect generally than those which we have been accustomed to hear in former sessions. I heartily support the new rule in every respect, Sir.

Since time is limited one cannot attempt to do more than touch lightly upon some of the many aspects of the budget as presented to parliament this session. I think in some ways the method of presenting the budget in this house is open to objection; there is room for a good deal of improvement. The non-disclosure of so many important matters by the Minister of Finance may lead, in many instances, and does lead, to improper conclusions being drawn in regard to the actual financial position of the Dominion of Canada at present. No one could gather from the budget speech or from the public accounts which have been laid on the table that the most important financial commitment of this country to-day is in respect of the Canadian National Railways. It far transcends in magnitude and importance all other conditions or circumstances in connection with our national finances. Yet in the budget speech offered by my hon. friend the Minister of Finance a few days ago, only one brief paragraph is devoted to matters pertaining to the finances of the Canadian National Railways. It is true that in a single sentence the minister announced that during the past year there had been an issue of guaranteed bonds by the railway company to the amount of $65,000,000. Apart from that brief announcement there is nothing to lead either the members of this house or the people of Canada to realize that the most important financial commitments of Canada to-day are in respect to the railway system owned by the Dominion. Now my suggestion is that a financial statement of Canada should furnish fuller information in regard to the financial position of the national railway system than anything we have before us at the present time. The Minister of Finance contents himself with producing a general balance sheet of the Dominion, but that is only one page of the ledger. Side by side with that general annual balance sheet should be a balance sheet, in concise form if necessary, of the Canadian National railway system; and if both pages of the ledger were produced side by side the people of Canada, as well as the members of this house, could form a better conclusion as to the real condition of our finances than is to be derived either from the budget speech or the public accounts which was laid on the table a few days ago. I do not suggest that the Minister of Finance is either the author or the originator of the present system. My suggestion to my hon. friend the minister is simply that on the next occasion on which he is called upon to make a financial statement in this house he will see to it that the most important financial commitments of this country be not disregarded, but be laid, with some elaboration, before parliament in order that hon. members may be able to realize the exact situation. After all, we all understand that this Dominion constitutes but a single political entity. There is but one government. It is true there are many departments of that government, but the departments of government are all intimately corelated and all thoroughly interdependent. There is but one common head, one common fund, one common liability, and one common responsibility. Indeed I think I might say in the language of the Apostle Paul: While there are many members there

is but one body. "The eye cannot say unto the hand, I have no need of thee. Nor again the head to the feet, I have no need of you. And whether one member suffer all the members suffer with it." So it is with the government of Canada, responsibility of every public department finally rests in the body politic, which is the government itself.

Now this year's budget contains, perhaps, one notable feature. Since the last session of parliament the Minister of Finance has undertaken to have an audit of his departmental accounts by a firm of chartered accountants, and for the first time, I think, we find in the public accounts to-day a certificate from a firm of chartered accountants to say, that for the years 1924, 1925, 1926 and 1927 they have examined the public accounts of Canada and have found them to be correct. But there is in that same certificate an express reservation in regard to the railroad liabilities of the Dominion. That is to be noted, Mr. Speaker, and it is likewise to be noted that the audit is only extended over four years. Now during the course of the present debate the Minister of Finance was asked as to how he came to have an audit of his accounts made by chartered accountants, and in reply he said that he had seen a speech of mine in the newspapers, and had sent that speech to a firm of chartered accountants in Montreal and asked them for an audit—I do not know whether it was an audit of my speech or of the public accounts of Canada. Well, I want to tell the Minister of Finance that I have no complaint against the public accounts of Canada. I have no quarrel with this audit even. I have always accepted the public accounts as genuine and correct and I have never challenged them. What I have challenged on more than one occasion are ministerial statements made in this house and in the country in respect of those public accounts. And when ministerial statements do not agree with the public accounts I have always sided with the Auditor General and submitted that the public accounts were correct and the ministerial statements which disagreed with them were incorrect. Now if my hon. friend the Minister of Finance desires to send speeches to a firm of chartered accountants, I would suggest to him that instead of sending my speeches he send some speeches of his own and ask the accountants to make a report upon them. I refer specifically, for the information of the Minister of Finance who is now in his seat, to the speech which he delivered in this chamber on April 10, 1924 and in which he made this statement:

[Mr Guthrie.]

These two amounts, totalling $9,622,760.37, together with $20,786,349 surplus of revenue over total expenditures, reduce our net public debt, as of March 31, 1923, by the amount of $30,409,109.37.

That statement was made in this house. It appears in unrevised Hansard in these words, it apears in revised Hansard in the same words, and in a special edition of his speech prepared at the instance of the Minister of Finance and sent broadcast through the Dominion. I maintain the minister's statement is not correct, and if the minister will read his own statement and turn to the public accounts of his own department he will find that instead of having a surplus of $30,000,000 odd on March 31, 1923, the public accounts disclose that there was a deficit of approximately $31,000,000. Now let him send his speech to the chartered accountants and let them report upon it. I will grant you it is probably a mistake on the part of the Minister of Finance; he has probably made a slip.

Mr. ROBB: No, no.

Mr. GUTHRIE: He has probably made an error, but the slip or the error was rather an important one. Instead of a surplus of thirty millions the actual figures show a deficit of thirty-one millions, a difference in the public accounts of Canada of $61,000,000. The newspapers always give the speeches of the Minister of Finance great prominence. His supporters use them throughout the country on the hustings and the parrot-like propensities of his followers in this house have been fully displayed upon every political platform. They start off under the impression that the minister's statement in this house in 1924 was a correct statement. They do not know that he was $61,000,000 out in his calculation or in his statement. Why we heard very recently, in the by-election in North Huron, Liberal speakers claiming that there had been a reduction in the national debt of $166,000,000 during the last five years, notwithstanding the fact that the riding was flooded with pamphlets published by the Minister of Trade and Commerce (Mr. Malcolm) to show incidentally that in four years the reduction in the net debt of Canada was only $105,000,000. The $61,000,000 mistake of the minister made the difference. Many Liberal orators actually claimed a reduction of $166,000,000. If that election had been prolonged another couple of weeks, some Liberal orator would have had the whole national debt of Canada paid off! Why does the Minister of Finance start his accounting with the year 1924? Why does he select a thoroughly artificial, arbitrary starting point? He has been a member of the Liberal administration or the Liberal

party since they took power in this house, and he knows the attitude assumed in regard to this question by his predecessor in office, the Right Hon. Mr. Fielding.

Mr. ROBB: May I answer my hon. friend?

Mr. GUTHRIE: The minister will have a reply in this debate and he may answer then. I know the attitude assumed by the Right Hon. Mr. Fielding when he was Minister of Finance. He absolutely repudiated any responsibility for the year 1922. In his budget speech delivered in in this house on the 11th May, 1923, he referred to 1922 as a Conservative year and stated that only three months of it were under the control of the Liberal government. That is true. It was the Conservatives who prepared the estimates and arranged all the financial details for that year. Nobody would seek to charge the Liberal government with the year 1922, but Mr. Fielding always manfully assumed responsibility for the year 1923. The Liberal government had complete control of the finances of Canada for the year 1923. They prepared the estimates; they spent the money, and they are responsible for all that took place during that year, but the present minister wants to get from under in respect of 1923. What does Mr. Fielding say in regard to 1922? When he spoke in this house on the 11th of May, 1923, he had not a bad showing to make financially. He announced that he had received in ordinary revenue in 1922 $381,000,000; that he had spent in ordinary expenditure $347,000,000, and he was able to declare a surplus of $34,000,000 of revenue over expenditures. But he said that he must pay all capital and special charges which amounted to $18,000,000, and even after paying all these outgoings he was able to proclaim for 1922 an actual surplus of $16,000,000. But this is where the trouble came in. Railway financing for that year took $97,000,000 which Mr. Fielding paid out of the treasury of the Dominion of Canada, leaving a deficit in the public accounts for 1922 of $81,000,000.

What did Mr. Fielding say about the year 1923? He was also able to exhibit a very substantial surplus. He had a surplus of ordinary revenue over expenditures of over $62,000,000. Then he paid all of his capital expenditures and special expenditures amounting to $24,000,000 and he still had a balance of more than $37,500,000 for the year 1923. But again trouble arose through the national railways of Canada which called upon him to pay deficits amounting to $92,000,000, and the merchant marine amounting to $6,000,000, or a total deficit of $98,000,000, which were paid out of the treasury of Canada, leaving him after all calls had been met with a deficit of $31,000,000 for that year. Mr. Fielding delivered on that occasion his last budget speech and since that date the budget speeches in this house have been delivered by the present Minister of Finance. I have asked hon. members to note that the Minister of Finance takes as his starting point the year 1924, disregarding the fact that his predecessor always took the year 1923, as the starting point of the Liberal administration.

I come now to another branch of the question, that is in connection with the Canadian National railway finances. I received only two hours ago through the courtesy of the Minister of Railways and Canals (Mr. Dunning) a copy of the financial statement of the Canadian National Railways for the year 1927, and I have had time only to glance casually over that rather voluminous document and to satisfy myself as to certain salient features of it. I think this house received a few days ago in the speech of the hon. member for St. Lawrence-St. George (Mr. Cahan) more real and useful information and more sound criticism in regard to Dominion railway financing than it has received in this chamber in many years. I heard his speech; I afterwards read it with the greatest of interest and if in the figures which I quote I am not able to agree entirely with those quoted by him, all I can say is that I have before me the Canadian National railway report for the year 1927 which was laid on the table of the house yesterday and which he did not have an opportunity of examining when he made his speech. However any discrepancies in our figures are not very material. I was amazed when the hon. member for St. Lawrence-St. George announced in this chamber that the indebtedness of the Canadian National Railways, not to the government of Canada but to the investing public, now amounted to the enormous sum of $981,000,000. I find that in the statement just issued that figure is correct. My statements as to amounts are all made in round numbers; I am not dealing in odd figures. Of that sum of $981,000,000 which the public have as a first charge against our railways, $657,000,000 is guaranteed by the Dominion of Canada as to principal and interest, $93,000,000 is guaranteed by the various provinces and the unguaranteed portion amounts to $231,000,000. But for the whole $981,000,000 the Dominion of Canada is responsible. This country is the owner of that road subject to a prior mortgage. These bonds on maturity must be paid and the interest on them must be maintained and

paid. This country can never afford to allow any creditor of that railway system to seek to put it into liquidation or to wind it up under the Railway Act. We must protect it. Therefore in the final analysis we are responsible for $981,000,000 worth of bonds, the larger portion of which we have actually guaranteed.

But on the other side of the page what do we find? We find that in addition to that, the obligations of that railway system directly to the Dominion government are as follows:

Cash advances	$595,000,000
Unpaid interest	226,000,000
Appropriations account, government railways	436,000,000
Total, about	$1,258,000,000

Such is the claim of the government of Canada which comes subsequent to the claim of bondholders to the extent of $981,000,000, making a total indebtedness in respect of the national railways as of this date of $2,237,000,000. These figures are astounding. It is difficult to comprehend them. They bulk too large for the ordinary mind or imagination but they are the figures which are submitted to parliament by the Minister of Railways in the national railway report tabled yesterday.

What is the position to-day in regard to these railways? According to this report, the position is that the total operating revenue last year was $256,000,000, and the total operating expenses $214,000,000, and the year closed with a net revenue from operation of $42,000,000. I think we should congratulate the president and the board of management of the Canadian National Railways upon the splendid showing they have made during the past year, and of all men I think the one who should be the first to tender his thanks and congratulations to the president is my hon. friend the Minister of Finance.

What was the situation in connection with the national railway on January 1, 1923. The situation then was that the net operating revenue of the Canadian National system was $4,155,000. That figure was announced by Sir Henry Thornton in a speech in Toronto on the 13th of February last. On January 1, 1923, the net earnings of the road were $4,155,000. I pass now to 1924. A change had taken place by that time, through the efficient management of Sir Henry Thornton and his board of directors, and the net operating revenue had risen in 1924 to $18,000,000 odd—a rise in one year of $14,000,000—so that the treasury of the Dominion of Canada, which is in charge of the Minister of Finance, was relieved of railway payments that year to the amount of $14,000,000 which had to be paid out of the treasury the year before. In 1925 there was a further increase in net operating revenue to $33,000,000, as against $4,000,000 in 1923. In 1926 the net operating revenue had increased to $48,000,000, and in 1927, the year just closed, these earnings had been $42,000,000.

Now what do the figures I have just given for these four years mean? The increase in 1924 was $14,000,000, in 1925, $29,000,000, in 1926, $44,000,000, and in 1927, the year just closed, $38,000,000, or a total increase in the net earnings of the railway in those four years of $125,000,000—$125,000,000 which formerly had to be withdrawn from the treasury of the Dominion, but of which the treasury during the last four years has received the direct benefit on account of increased earnings of the road. Nobody will pretend—not the Minister of Railways, for he knows too well, nor the Minister of Finance—that this government or any member of it is entitled to a particle of credit for the improved showing made in connection with the Canadian National Railways. The management of the road is supposed to be entirely divorced from government control. It is under the absolute control, so far as management goes, of Sir Henry Thornton and his board, without government interference, and they are entitled to the full credit for the result obtained—$125,000,000 of relief for the treasury of Canada in four years. Now look at the boasts of this government and of the Minister of Finance that in the last four years they have paid off $105,000,000 of the net debt of this country—$20,000,000 less than the actual relief that they received from the Canadian National railway system under the management of Sir Henry Thornton, and under conditions which do not entitle the government to one particle of credit

Do you not think, Mr. Speaker, that in a proper financial statement presented to this house, the facts and figures I have given should be set side by side with the general financial statement showing the reductions of the national debt. The Finance minister has actually received in relief $125,000,000 from the railway, and he has paid off from the net debt of Canada in those four years only $105,000,000, and yet he calmly accepts congratulation and applause for himself and his friends accord it to him. The real fact is that the Finance minister and the Minister of Railways are endeavouring to appropriate

to themselves the credit that is due to Sir Henry Thornton. They are endeavouring to bask in the reflected glory of the president of the Canadian National Railways without there being the slightest foundation for their claiming any credit for his achievement.

But what has been going on during the last five years in financing the debts of the national railways? During the last five years the bonded indebtedness of the national railways has been climbing at an alarming pace. On December 31, 1923, the bonded indebtedness of the national railways to the public was $823,000,000; on December 31st last the bonded indebtedness to the public was $981,000,000; in other words, the bonded indebtedness of the railway has been increased in that five year period by $158,000,000, for which this country has granted its guarantee of payment both as to principal and interest in every instance—$158,000,000 of increased liabilities, and only $105,000,000 of decreased public debt in this country. Can one fairly separate the figures? Should they not be considered together? Should they not be set side by side and expounded together by the Minister of Finance to this house? Do the people of Canada or even the members of this house realize the extent to which these guarantees are growing? I met a man in Ottawa, not in this house, who asked me why it was that Canada was called upon to guarantee the bonds of the Canadian National Railways. I assume that every member of this house knows why. Because the Canadian National railway system is an insolvent system, and I am sorry to have to say that you will find, if you look at the railway statement, that on the 31st of December last it was insolvent almost to the extent of half a billion dollars, according to the statement signed by Sir Henry Thornton, the president of the road, or to be exact, the road is behind $443,000,000. Do you wonder that the railway cannot raise a dollar on its own bonds? Do you wonder that it cannot go into the money market and borrow a dollar on its own securities unless it puts up special pledges of rolling stock and the like?

Mr. DUNNING: The same as any other road.

Mr. GUTHRIE: The railway has to come to the government and get its guarantee in order to float a loan, and the moment the Finance minister puts his name on the back of one of these bonds it becomes a positive liability of the Dominion of Canada which some day the Dominion treasury will be called upon to pay. My hon. friend the Minister of Railways shakes his head. In the excellent speech which he made in this house a few days ago he said: We have followed this principle of not recognizing these guarantees as liabilities or debts because in the province of Ontario the provincial government does not recognize the guaranteed bonds of the Hydro Electric Power Commission as debts of the province.

Mr. DUNNING: No; I must beg my hon. friend's pardon.

Mr. GUTHRIE: That is the one case which the minister cited—

Mr. DUNNING: As an instance.

Mr. GUTHRIE: —in justification of the method of book-keeping adopted by this government. Let me point out to him that the cases are not parallel. This government is guaranteeing the bonds of an insolvent company; the Ontario government is guaranteeing the bonds of perhaps the strongest financial corporation in North America to-day.

Mr. DUNNING: Why do they guarantee them?

Mr. GUTHRIE: For every dollar of guarantee of Hydro Electric Power Commission securities in Ontario, there are many, many millions of dollars of physical assets in excess of the guarantee.

Mr. DUNNING: Why the guarantee then?

Mr. GUTHRIE: The guarantee is for the purpose of allowing the hydro-electric commission—it is really but an association of certain interested municipalities—to go into the money markets and be recognized as a financial institution and be in a position to secure money at the lowest possible rate of interest.

Mr. DUNNING: Exactly.

Mr. GUTHRIE: Does my hon. friend not see the distinction between guaranteeing the bonds of an insolvent institution and those of a perfectly solvent institution?

Mr. DUNNING: I do not admit that it is insolvent.

Mr. GUTHRIE: In the one case you incur liability, in the other you do not. If my hon. friend does not see the distinction I am not going to labour the matter any more, because I am satisfied that I cannot make him see it.

Now, Mr. Speaker, the point which I desire to make is this, that if credit be due to anyone in respect to the reduction of the net debt of the Dominion, that credit is directly due to the management of the Canadian National Railways; for the improved showing which they have been able to make and for the relief which for the last four years they

have been able to afford to the treasury of Canada. Without one move of the hand or one stroke of the pen by the Finance Minister or any of his colleagues, Sir Henry Thornton and his board have accomplished that feat, and to them credit is due, and to them the thanks of the country should be returned.

I have only one other observation to make, and I have but a few minutes in which to make it. There is another aspect of the budget I do wish to mention, and it is in regard to what I call the iniquitous sales tax. On a former occasion during the present session I mentioned the sales tax, and I told the Minister of Finance that so far as it was in the power of an opposition to make demands upon the government, this opposition was going to demand the abolition of the sales tax during the present session of parliament. I regret that the tax has not been abolished; it has merely been reduced to that point at which it was seven years ago when the Liberal government took office. The sales tax was imposed as purely a war measure. The war has been over for ten years, but this administration still maintains that iniquitous burden on the people of this country. My hon. friend the Finance minister may wave his hand and announce that he has made another cut in the income tax, and the wealthy men of Canada will appreciate that no doubt; but if he had wiped out the sales tax he would have conferred a benefit, not upon the wealthy, but upon the people of the Dominion least able to bear that tax. I had to smile when in delivering his budget speech the Minister of Finance came to that particular portion where he discussed the changes in tariff rates in regard to woollens. What do you think he said? Does anyone remember? These are his words:

> In revising the woollen schedules two main considerations have been kept in mind, the vital necessity for warm clothing in a climate such as ours,—

That is the first consideration, and I remember the seraphic smile that passed over his face as he slowly raised his eyes to heaven and in measured tones pronounced those solemn words. What do his changes in the woollen tariff mean to the ordinary man in the street who buys a suit of clothes? They involve a difference of about two cents a yard—all the manufacturers' profit in many instances, I grant you. That difference represents seven, eight, or nine cents on a suit of clothes, something that will never be passed on to the purchaser but will be absorbed by intermediaries. Now, cannot I warm up his heart in regard to the sales tax? I agree that ours is a cold climate in the winter season; people must wear woollen clothes. By retaining this sales tax of three per cent a man has to pay an extra ninety cents on a $30-suit of clothes. Do the people of Canada yet realize that they are paying this iniquitous tax into the treasury? Do they know that this war burden is still in force? I know the complaint is made from time to time that the retail merchants are still keeping up prices, but do the people realize that on $100 worth of purchases of boots and shoes, clothing, furniture, everything save food, they have to pay to-day $3 into the treasury of Canada to help in the reduction of the national debt? I do not believe they realize that. Four per cent they paid last year, five per cent the year before, and six per cent for a while. And with what a grand flourish the ministers of the crown announced these reductions! Last year the minister said: We have reduced the sales tax twenty per cent. It sounded like a large reduction, but it was only one per cent as a matter of fact—one cent on a dollar. The other day the minister announced: We have reduced the sales tax 25 per cent. The ordinary people thought: It must be gone this time sure. But only another cent has been shaved off the top, and for every $100 worth of clothing, hats, mitts, boots and shoes, to be worn in this cold climate of ours, three dollars must be paid into the treasury, although the war was over ten years ago. What did the minister say last session? "Why," he said, "how can I do it?"

Mr. SPEAKER: Time.

Mr. FRANK S. CAHILL (Pontiac): Mr. Speaker, I regret that the new rule compelled you to call "time" on my hon. friend from South Wellington (Mr. Guthrie), who, to my mind, has this afternoon delivered the greatest eulogy on the Liberal party that I have ever listened to. He made out a most complete case for the administration, as he usually does when he prepares his speeches. He started by saying that the members of the government were an entity, one body, and he quoted scripture to prove that every member of the cabinet was responsible for all governmental action regardless of the department in which it originated. He castigated my hon. friend from St. Lawrence-St. George (Mr. Cahan) for saying anything about the Canadian National Railways, and then he proceeded to show that under the Liberal administration, which had selected Sir Henry Thornton as the president and manager of the system, it had been brought out of the condition of chaos in which he and his party left it a few years ago, and he praised Sir

Henry Thornton for the marvellous surpluses earned by the system during the time he has been in office. If anything more were required to demonstrate the virtues of this government than the fine eulogy pronounced by my hon. friend this afternoon, I do not know where you would look for it. Certainly when you eulogize the success and progress of the Canadian National Railways, that very satisfactory condition of affairs cannot be separated from the prosperity of Canada generally.

Mr. SPOTTEN: Who built the Grand Trunk Pacific?

Mr. CAHILL: Who bought the railways under closure? My hon. friend from South Wellington, who to-day eulogized the management. He could never do that when he and his Conservative friends were in control of the Canadian National Railways. But, as the hon. member said, you cannot divorce the success of the Canadian National Railways from the prosperity of Canada; and the prosperity which he spoke of must be attributable to the government of Canada—to the government of the day. If our railways were able to earn the dividends which he mentioned, it was only because of the good government which we have had since he and his friends left office in 1921.

My hon. friends reason that the debt should include guarantees of the Canadian National Railways. I do not know what system of book-keeping they would set up in order to show that two parties were liable for the same debt. If the Canadian National Railways are earning dividends on their debt to the public, why show it in the Canadian statement of Canadian affairs? If they were not, it would have to be added, as was done in the past, as non-active securities of Canada. That was the system adopted under the Conservative regime. They showed that advances to the Canadian National Railways were non-productive, and they were classed as non-active assets; the Conservatives did not figure that they would ever be able to realize anything from them. But when the Canadian National Railway system reached the stage where it was earning interest on its debt to the public it would be impossible to show in the Canadian statement a $40,000,000 guarantee of a loan and charge that as a liability against the Dominion government, while charging the same thing against the Canadian National. There is no better way of dealing with the matter than the method followed by the Conservative party, nor is there a better method than that now pursued by the Minister of Finance (Mr. Robb). You are not telling the public anything new when you say that the government have guaranteed the stock of the Canadian National Railways; the people know that. The people also know that under this administration interest is being paid on account of the debt—something which was never known before in the history of the railways under the Conservative administration.

My hon. friend complained of the huge debt of the Canadian National Railways. I realize that it is huge. But the hon. gentleman must take responsibility for a large part of that debt: he and his colleagues in the house insisted, by closure, on paying to the owners of the stock of both railways which they took over an excessive, exorbitant price, when they could have foreclosed and saved hundreds of millions of dollars to the Canadian people. Of course, the railway is heavily loaded with debt, but to my hon. friends opposite must be charged the responsibility; it is not attributable to this government.

I notice that the party opposite are trying very hard to get into the good graces of the people again by their support of the Canadian National Railways. My hon. friend from St. Lawrence-St. George, however, apparently slipped, although he was quickly brought to time by his colleagues around him. The people of Canada know that the Canadian National Railways must be supported by public opinion if the system is to succeed, and I am very glad to see that our friends opposite are now taking the attitude that they too will deal fairly with the Canadian National.

Mr. CAHAN: Did my hon. friend learn anything to the contrary from my speech?

Mr. CAHILL: I thought I did.

Mr. CAHAN: You are entirely mistaken.

Mr. CAHILL: Perhaps I am. Now, Mr. Speaker, during this debate I have listened with great attention to the criticisms of the budget by hon. gentlemen opposite, and the more I listen the more I am impressed with the greatness of that fine Canadian leader, Sir John A. Macdonald. Sir John Macdonald was a statesman who was both farsighted and ingenious; he was responsible to a large extent for the confederation of Canada and for the construction of a line of railway from the Atlantic to the Pacific. He helped in large measure in his time to develop Canada and Canadian resources and to make the Canadian people happy in Canada. But Sir John did propound one fallacy, the fallacy that protection is a cure-all, the fallacy that you can lift yourself by your boot straps, or that a nation can tax itself rich. My hon. friends of the Conservative party have lived for fifty

years or more in a somnambulant state: they have not evolved one new idea or thought except that which they constantly repeat, that protection is a cure-all for the ills of Canada.

During that early period of railway construction there was prosperity in Canada; we know that from statistics and from the history of the time. After the construction of the Canadian Pacific railway and the settlement in the west of a nucleus of farmers who proved to the world that western Canada was a profitable country to farm in, that it was feasible to farm here,—after the construction of that road, I say, there set in the natural depression which follows construction works in any country. We waited for ten years until that other great statesman came to the front—Sir Wilfrid Laurier. After the west had been proven Sir Wilfrid Laurier undertook to fill the vacant spaces in that part of the Dominion and instituted a railway construction program which offered employment to all the people who came to Canada. Every immigrant was able to find employment, was able to take up free land: and during that period we had a great influx of immigration and a time of prosperity. But since that day there has been no immigration policy so far as the governments of Canada are concerned. The present policy could not by any stretch of the imagination be called an immigration policy: a policy of assisted immigration, bringing in people at the expense of the taxpayers of Canada, is not to be considered an immigration policy. The Conservative party had never had a shred of policy that could be called an immigration policy. After all, there is only one immigration policy. Study the question as you will, look around as you will, there is only one immigration policy for Canada or for any other country, and that is a policy that will make for the best interests of all the people. That is the kind of policy that brought people to Canada before, and that is the only policy that will bring them again. As to this cry of the lack of an immigration policy, the lack of a policy by reason of the fact that there is no protection, the people of Canada have suffered under protection for many years, and on this point I should like to see a referendum taken in Canada on the question of lower or higher tariffs, on the question of free trade or protection. I am convinced that 70 per cent of the people would be in favour of a low tariff or of free trade. In this connection I am reminded of a policy which I believe would be useful to Canada; I think it is a platform that might well be adopted by the Liberal party. I refer to these words of Lord Macaulay:

> Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment; by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the state. Let the government do this: the people will assuredly do the rest.

That is a policy that might well be adopted by Canada. It is a policy that might serve as a guide for this country, a guide against legislating in favour of any class, a guide that would permit the government to legislate in such a way that all who come to Canada will have an equal opportunity to make their own living, to reap the benefits of their own efforts, without being handicapped by some of the legislation which has been on the Canadian statute books for many years.

We are handicapped in this country by our insane banking system. It is almost impossible to get people to advocate a change in that system. I have heard it remarked in the house that the only people who are opposed to the present banking system are the people who cannot get credit. It occurred to me, Mr. Speaker, that possibly those who supported the present banking system had notes coming due, and were therefore afraid to oppose the banks. However, the system is handicapping our people; it is one of the great drawbacks in the maritime provinces, one of the things which bring their representatives here year after year pleading with this government for assistance. From their association with hon. members opposite these representatives eventually came to the decision that something should be done for them by the government by taxing the people, and of course taxing themselves as well. That is a species of Tory socialism, that you can tax yourself rich. A great deal of their complaint is due to that very cause, just as the farmers in the west complained a few years ago until they evolved a plan whereby they marketed their wheat co-operatively and took conditions as they found them. By that process they have reaped more of the benefits of their labour than was previously the case. When those western farmers first attempted the co-operative movement, however, they were blocked by the banks of Canada and placed in a most awkward position. They had to go outside Canada for assistance in order to finance their undertaking, until finally the Canadian banks found they could not block them any longer and came to their aid. This system has accumulated the

finances of Canada in the two great centres of the east, and until that system is changed it is impossible to legislate in such a way as will give equal opportunities to every Canadian. Until that time comes, and some adjustments are made in our present laws, it is useless for us to spend money on an immigration policy in an attempt to bring people to Canada to work under the same handicap. They realize what they are up against before they come here, and many of them refuse to enter Canada because they know that under our present conditions we are not doing all we can for even our own people.

While I am on this subject, Mr. Speaker, there is one point I should like to develop. Ever since I have been in this house I have heard the point stressed by both parties and by the different leaders that a preference of some sort should be given to the Britisher. That might be all very well if, by that preference, you are not putting the other fellow in the position of a second rater. Every time you say you have a first choice, all others must be a secondary consideration; they must necessarily be second choices. The man who comes to this country to live is very sensitive, and when you point out to him that you have a first, a second and possibly a third choice he does not care to be placed in anything but the first class. Every man who comes to Canada should be accepted as a Canadian; he should be allowed to grow up in Canada as a Canadian without any such classification. I venture to say that many members of this house, if not a majority of the members, are not descended from people coming from the British Isles; to them you say you prefer some person else. To the German settler on the prairies, to the American settler or to the man coming from any other country but Great Britain you say: You are only second choice. I believe the Minister of Immigration (Mr. Forke), the members of the government and the members of the opposition in speaking on immigration matters should hesitate to classify any man coming to Canada as less than a first class Canadian.

If we would devote a little time and attention to really working out our problems, in a very short time we would have no immigration problem. I have listened for some weeks to a discussion of this budget, but I have failed to hear one constructive suggestion. Hon. gentlemen opposite have brought forward the old shibboleth of higher tariff, higher taxes; that is the only theory the Tory party can suggest for the ills of this country. Further taxation is to cure everything! If the parliament of Canada had devoted the time spent in this debate to an earnest attempt to find out what could be done to stop emigration, to promote immigration and to assist the people already in Canada we would be very much better off. We have taken weeks to discuss a harmless budget, an amendment offered by the opposition which means nothing, and a subamendment from the Progressive corner which I think means even less. The debate has gone on long enough, Mr. Speaker, and I do not propose to prolong it; all I wish to say is that after the excellent speech of the hon. member for South Wellington I am quite convinced that the government is in a safe position and that I shall be justified in supporting the budget presented by my hon. friend the Minister of Finance.

Mr. J. A. MACDONALD (Richmond-West Cape Breton): Mr. Speaker, I take this opportunity to say a few words with regard to the amendment to the budget moved by the hon. member for St. Lawrence-St. George (Mr. Cahan), which amendment may be taken as the policy of that portion of the house sitting immediately to your left. I do not intend to mince matters, so I may state now that it is my intention to vote against the tariff proposals of the Minister of Finance (Mr. Robb), because in them I see no solution offered for the many problems which face a large and important portion of this Dominion.

It is not my intention to take up the speech of the hon. member for Pontiac (Mr. Cahill); what I have to say will consist mainly of references to my native province and the constituency from which I come. Representing as I do a constituency on the island of Cape Breton, close to our great industrial centres; living in the heart of one of the greatest in-shore fisheries in the maritime provinces—

Some hon. MEMBERS: Louder.

Mr. MACDONALD (Cape Breton): I would ask that my hon. friends opposite maintain order when I am speaking. I have a cold at present, and I am not going to put up with too much of that sort of thing.

Mr. SPEAKER: Order.

Mr. MACDONALD (Cape Breton): As I was saying, I live in probably one of the greatest in-shore fisheries in the maritime provinces, and I feel it my duty to raise my voice in protest against the budget proposals of this government as presented by the Minister of Finance, because they offer no assistance to any of these great industries. I fully expected that at this session of the house the government would fulfil the solemn

promises which they made to the people of the maritimes on the hustings in that portion of the Dominion from time to time; practically every Liberal candidate promised definite and practical relief to the long suffering industries of the maritime provinces. The Prime Minister also made the solemn promise that he would fully implement the findings of the Duncan commission, and he made special reference to our coal and steel industries, stating that because of the uncertainty of the conditions then surrounding those industries he would defer action until a settlement was reached.

In this suggestion the majority of our maritime members concurred, and we gave our whole-hearted support to the government. During last session we on this side of the house refrained from embarrassing the government with our endeavours to secure those rights which Sir Andrew Duncan and his associates declared were ours, but we did so only because of the definite promises made by the Prime Minister that he would fully implement the findings of that important commission. This is the third budget which has been presented to this house, Mr. Speaker, which shows the complete indifference of this government to the industrial development of Nova Scotia. The budget of 1924 when first introduced purported to deprive the agricultural implement industry of a considerable proportion of the meagre tariff protection it enjoyed, and this was done at a time when unemployment was rife in many of our industrial centres. Protests poured in to the government from manufacturers of farm implements, among which the voice of Hon. Vincent Massey was undoubtedly heard. And so great was the political pressure exerted that the government granted compensation to these manufacturers by placing iron and steel on the free list when used for the production of farm machinery. The net result was that a serious blow was struck at the iron and steel industry of the province of Nova Scotia, the effects of which are only too well known to all who are acquainted with the resultant economic conditions in that province.

It is distinctly disappointing to the people of Nova Scotia that this budget contains no mention of relief to the steel or coal industry, and gives no evidence that the government has paid the slightest regard to the recommendations in the report of the Duncan commission for prompt tariff consideration for those basic industries. The only tariff change in the budget relating to coal or steel is the provision of a drawback of 99 per cent of the duty on bituminous coal used in the evaporation of salt produced in Canada.

[Mr. Macdonald (Cape Breton).]

Once again, Mr. Speaker, our Nova Scotia coal industry has been made to suffer in the interests of an industry which finds its chief centre in the province of Ontario. May I point out, Mr. Speaker, that the Duncan report contained a definite recommendation that a bounty equivalent to 50 cents per ton on Canadian coal used in the production of steel should be granted for the encouragement of both our coal and steel industries in the province of Nova Scotia. You will find that recommendation at page 38 of the report. Last year the Prime Minister excused the government's failure to implement the recommendations of the Duncan commission by pointing out the unsettled state of the Nova Scotia steel industry. This pretext no longer exists. From a statement made in this house by the hon. Minister of National Defence (Mr. Ralston) I would infer that the government definitely refuses to apply the remedy which a commission of its own creation recommended should be applied for the upbuilding of the Nova Scotia steel industry until certain additional steps are taken by the group in control of these industries. One of the minister's objections was the inflation of capitalization and the unwieldy and complex organization which groups some fourteen companies under one head. I should like to remind the Minister of National Defence that at the time this huge merger was mooted in 1920 the Liberal government of Nova Scotia of which he was then a member passed enabling legislation which brought about the creation of the very corporation which he now criticizes. If my memory serves me correctly, my hon. friend voted for the passage of that enabling legislation, and he now has the temerity to stand up in this house and take the attitude that the industrial workers of the province of Nova Scotia must continue to suffer hardship, misery and want solely on account of conditions which a Nova Scotia Liberal government, of which he was a member, were instrumental in bringing into being. I may tell my hon. friend that the very objections which he now raises were forcibly brought to the attention of his government and himself by the local opposition of which I was at that time a member, and I considered it my duty to vote against the legislation which was then enacted by the legislature.

Now, Mr. Speaker, I wish to refer to another great industry in my native province for which this budget makes no provision beyond a few items which practically have no importance or significance, and that is the fisheries of the maritime provinces. One would be led to believe from the proposals

of the present budget that such an industry did not even exist, and from the past actions of this government it is obvious that industry has never given it very much concern. Sir Andrew Rae Duncan in his report to the government claims that the fisheries of the maritimes, in extent, in quality and in value, constitute one of our most important natural resources. According to figures compiled by the Dominion Bureau of Statistics and issued by this government there are 20,000 people in Nova Scotia alone who gain their livelihood in this industry, and the market value of their products is some $12,500,000 annually. This great industry is today on the decline, especially that portion of it known as our inshore fisheries. This can be evidenced by the number of closed homes in many of our fishing districts. Since 1914, according to the returns of Mr. Ward Fisher, fisheries inspector for the province of Nova Scotia, some 10,000 persons have left the industry. The war accounted for some of these, but the great majority were compelled, on account of the meagre returns which they received for their labours, to go to the United States where, under the protection of the Fordney tariff, they could receive a remuneration and enjoy a standard of living such as was not afforded to them in their native province. The county of Richmond has suffered probably, more in this respect than any portion of the province of Nova Scotia. In 1910 the number of fishermen employed was 2,113, and 212 people in our lobster canning industry. In 1921 there were 1,752 fishermen, employed and 164 men employed in our lobster canning industry. In 1926, the latest year for which returns are available, the number of fishermen had fallen to 1,370, and in the lobster canning indusary 120, and I am afraid it will be found that later returns will bring the number of fishermen in the splendid constituency of Richmond-West Cape Breton under 1,000. In one school section alone in little over a two-months period, 33 children moved to the United States together with their parents.

This condition was brought strikingly before the government by the Duncan commission. In the session of 1927 the government promised, through the Prime Minister, to take immediate action to remedy these deplorable conditions. The Prime Minister, while stating his willingness to do everything possible for the industry, threw in the teeth of every Nova Scotian the fact that the province of Nova Scotia rejected the proposed reciprocity agreement in 1911. Is the Prime Minister aware of the fact that that agreement did not grant the province of Nova Scotia any concession in respect to fisheries that it did not enjoy from 1912 to 1922? When the Fordney tariff went into effect in 1922, it deprived Nova Scotia of a large market in the United States. What did this government do? It lamented, as at present, the defeat of reciprocity. Had it taken the initiative at that time, it would have sought out other markets in other parts of the world. The Fordney tariff rates were imposed at the instigation of the American Fishermen's Union, and this same union in 1921-22 would have compelled the high tariff government of the United States to abrogate the gentlemen's agreement which had been entered into with the Laurier-Fielding administration. This is the fate which has overtaken practically every trade treaty which Canada has entered into with the United States. The reason why the people of Nova Scotia rejected the reciprocity treaty was because they knew it could be abrogated at will; they had had the experience of what had befallen the reciprocity treaty of 1854. The people of Nova Scotia wanted something of a more definite nature than that which our Liberal friends offered. The Duncan commission asked for a separate Department of Fisheries under the head of the deputy minister, a man with practical fishing experience, who could make a survey of the industry and be in close personal touch with the conditions as they exist in the maritime provinces. On page 34 of the revised Hansard of 1927 the Prime Minister is reported as stating:

> The commission's recommendation with respect to the appointment of a deputy minister whose duties will be confined to what at present constitutes the fisheries section of the Department of Marine and Fisheries, will be carried out.

This was on the 18th March, 1927, just a year ago. This is another promise of a Liberal administration that has not yet been fulfilled. I should like to ask whether public utterances, and as in this case, very definite promises made to this house and to the country, are to be held thus lightly?

As was stated by the hon. member for Queens-Lunenburg (Mr. Ernst), the Nova Scotia inshore fishing industry in the autumn of 1927 was in such a deplorable condition that indignation meetings were held in various places and, viewing the condition of the people in the fishing districts, the clergy of the diocese of Antigonish sent a resolution to this government demanding the appointment of another commission. In this they were backed by the provincial government who helped them in every possible way to organize an effective fishermen's union. I do not intend at the present moment to go into the

order in council appointing the commission, or to dwell upon its political complexion. Suffice it for me to say that the great bulk of the fishermen of Nova Scotia do not want and, indeed, emphatically resent their industry being made a political football.

It was not my intention to speak on the fisheries until the report of the commission was brought down, but I have not the least expectation in the world that this report will be tabled during this session of the house. The commissioners are now in Montreal, housed in the Windsor hotel at the expense of this country, and they are in a quandary as to what to recommend as a solution to remedy the existing state of affairs. This industry must wait another year before anything of a definite nature is to be done and I feel that the government is only sparring for time in order to make another political gesture to the fishermen of the maritimes. May I say to my hon. friends opposite that we of the maritimes have had too many political gestures thrown our way? What we want now is definite, immediate remedial action, and if that is not forthcoming, the few seats which this government holds in the maritimes will be even fewer than they are to-day when the next appeal is made to the province of Nova Scotia.

The hon. member for Queens-Lunenburg has made to this government certain suggestions every one of which, as a representative of a fishing community, I most heartily endorse. I would go even further and ask that fish landed from foreign beam trawlers, dry fish imported from Newfoundland, and fish shipped into central Canada from the United States, pay as high a duty as Canadian fish entering the United States. I would also ask that our fishermen be given long-term loans, such as have been granted to our Canadian farmers, in order to enable the fisherman to equip himself to prosecute his calling successfully. I would suggest also that a form of fishermen's insurance be created, because, as the law exists to-day, only tonnage boats can be insured, and as the majority of our inshore fishermen do not come under this classification they have no means of protecting themselves against loss. I also strongly urge that the twenty per cent reduction recommended by the Duncan report on westbound traffic be made to apply to fish from the maritime provinces routed to United States points.

The question of transportation should be taken up by the government and greater cold storage facilities provided. The salt and dried fish industry is practically a thing of the past, and if a fresh fish industry is to be maintained in the maritimes we must have refrigerator boats and cold storage facilities. The government will tell us that this will necessitate a raid on the treasury. Let me tell my hon. friends opposite, and especially that group which sits in the far corner, that this industry has an interest in the treasury of Canada to the extent of around $4,000,000, and I feel that this money should be used for the development of cold storage facilities and cold storage transportation for the inshore fishermen of the maritime provinces. Under the Halifax award in 1873, $4,525,000 was placed at the disposal of the government of Canada for compensation due to injuries suffered by the fishing industry of the maritime provinces. From November 21, 1878 to May 17, 1882, the Dominion government had sole use of this money. In 1882 a portion of the interest on this money was by act of parliament made available in the form of bounties to the fishermen, the amount so used being $160,000 per annum. The point to note is that at five per cent per annum, which would be a reasonable interest return, the amount available for distribution should have been $226,250, without the principal being touched. Thus for forty-five years, from 1882 to 1927, the Dominion treasury has been enriched, at the expense of the fishermen of the maritimes, to the extent of $66,250 per annum. From 1878 to 1882, a period of four years during which no bounty was paid, the treasury profited to the extent of $905,000. In other words, there is a sum of accrued interest approximating over $4,000,000 rightly belonging to the fishermen of the maritime provinces. The legislature of Nova Scotia passed a resolution in 1921 supporting this contention and in the same year a similar resolution was passed by the government of Prince Edward Island. I claim that this money rightfully belongs to the maritimes and it should be either given to bonus the industry or used for facilities which will benefit the fishermen of the maritime provinces as a whole. Furthermore I contend that fishermen from the colony of Newfoundland should be precluded from sharing in this bounty when fishing aboard Nova Scotia fishing vesels during their seasonal employment in Nova Scotia fisheries.

The Minister of National Defence (Mr. Ralston) on Monday last made some reference to the fisheries of Nova Scotia. Those references consisted largely of time-worn platitudes and an attempt to belittle constructive suggestions put forward by an hon. member on this side of the house. One point in the minister's speech that stood out above all others was the studious way in which he

skated over and avoided the greatest question before the fishing industry of the province, that of the beam trawler. Not only this house but 16,000 fishermen in Nova Scotia are wondering to-day where he stands. The hon. member for Queens-Lunenburg brought to the attention of the house the fact that the fishermen of Nova Scotia, and of the eastern part in particular, have been subjected to most unfair competition by landings of fish duty free from foreign trawlers. Does the Minister of National Defence approve duty free landing of fish by trawlers owned outside of Canada? He will have an opportunity to declare himself in that regard. The people of Nova Scotia and especially our 16,000 fishermen, would like to know where he stands. Why did the minister not declare himself on a second matter of very vital importance to the fishermen of Nova Scotia, namely, that of the institution of a department of fisheries with a responsible minister at its head? From his remarks it may be inferred that he was fairly well acquainted with the evidence given before the commission, but he did not mention anything about the appointment of a deputy minister as recommended by the Duncan commission or the establishment of a department of fisheries with a responsible minister at its head.

As to the inspection of fish and fish products, the minister said this was already being done. The only inspection that is being made is an inspection of pickled fish, and this has been done in a haphazard manner, and very often by political appointees with no fitness for the position, with the result that the inspection has been practically valueless. It is true that in Canso and Hawkesbury a fresh fish inspector was appointed last summer to inspect fresh fish landings in connection with the government fish collection experiments there, but the fact remains that this was an isolated instance, and that there is to-day no such thing as the inspection and grading of fresh fish, dried fish, or smoked fish products.

The minister boasts of the scientific research which is being carried on. No one belittles the work which is being attempted, but it is only a beginning. Included under this heading are such subjects as a complete survey of our foreshore to determine the extent of our resources—for example, of our scallop beds; a study of fish life, and a determination as to when depletion begins and conservation becomes essential; experimentation in the cure, marketing and packing of all kinds of fish, and provision by the establishment of competent inspectors in fishing communities for bringing home to the practical worker the results achieved.

The hon. minister dealt with another topic, that of markets, and boasts of what has been achieved. Does he not realize that while shipments of fresh frozen fish have increased, the entire benefit has gone to a few corporations, and was very largely the result of the landings by foreign trawlers? The problem of marketing is allied to that of transportation. Markets must be developed, particularly at home, by education and devising means of transportation, so that when they are developed the benefit may be passed on to the thousands of our fishemen who await and need them, and not be swallowed up, as in the past, by the charter of a few more European trawlers.

The minister talked of progress and improvement. Where does he find that improvement? Certainly not in the conditions of the thousands of fishermen scattered along our coast line. The minister boasts of the encouragement which this government has given the industry. Let me say that if these boasts are all the hon. minister has to offer, and if we are to have only the same kind of progress and achievement during the next five years, heaven help the fishermen! Why talk of steady progress and achievement when we have lost, in twelve years, 10,000 of our fishermen?

I should like to say a few words with regard to providing medical attention for our sick fishermen. Dominion legislation provides for what is known as a sick mariners' fund, to which the owners of shipping schooners in our interprovincial coastal trade contribute. It also applies to fishermen of tonnage ships. This is of great benefit to our sick seamen. We also have the hospital ship for the care and attention of our deep sea fishermen. The Workmen's Compensation Act in our province as it stands at present cannot be taken advantage of by our inshore fishermen because they are not employers of labour. Generally the fisherman himself is the labourer, and in order to come under the Workmen's Compensation Act he must employ three or more labourers; and then he would not as an an employer be eligible himself. In any event the fee demanded by the various compensation boards is prohibitive, and if made compulsory would put the fishermen at a great disadvantage. Even then no provision would be made for sickness; accidents only would be taken care of. I have found in my fifteen years of practice among the fishermen of this country that accident is the exception. What we have to contend with is sickness brought on by the hazardous occupation which the fisherman is compelled to pursue in order to

gain a livelihood. Secondly, the fisherman, being underpaid for his services, is—together with his family—undernourished. Tuberculosis is prevalent among our fishermen; it is one of the most deadly diseases encountered in our fishing districts. Our fishing villages, located generally around our indentations and bays, are in most instances far removed from medical care. The poor fisherman, with the meagre earnings of to-day, is not in a position to secure the medical aid he requires for the protection of himself and his family. I would suggest to the government that our fishermen be placed on an equal footing in that respect with the deep sea fishermen, and that either a contributory system be adopted or a certain proportion of the Halifax award be utilized for the purpose of caring for our sick and invalid fishermen and their families.

With respect to railway transportation, I have in my hand a resolution passed by the municipal council of the county of Richmond, Cape Breton, as follows:

Whereas the fisheries of Isle Madame and contiguous waters in the county of Richmond are an invaluable asset to this municipality and the entire Dominion as well, and

Whereas the farmers of Richmond, keeping pace with the times, are conducting operations on a vaster scale than heretofore, but

Whereas many farmers from the eastern sections have left their farms being unable to carry on their agricultural activities at a profit owing to lack of railway accommodation, and

Whereas the pulpwood, gypsum and other mineral resources of the county of Richmond are boundless, but their development is impeded owing to lack of adequate railway accommodation east of St. Peter's on the Canadian National Line, therefore,

Resolved, that this council in annual session convened, hereby memorializes the federal government to extend the present line of railway to St. Peter's eastward as far as Louisburg or Sydney, and to construct a branch into Arichat, the shiretown of Richmond, to be operated in conjunction with the main trunk line inasmuch as the federal government has acquired the present line to St. Peter's making it an integral part of our Canadian National Railways system, further,

Resolved, that the said government be memorialized to refund to this municipality the amount of Ten Thousand Dollars—$10,000—borrowed to pay for the right-of-way when the said line was opened in 1903, further,

Resolved, that this council considers these demands neither unreasonable nor unjust, but the just deserts of the county of Richmond as an integral part of this great Dominion, with a right to its existence and an opportunity to work out its destiny as at present incorporated, and further,

Resolved, that copies of these resolves be forwarded to the Minister of Railways at Ottawa, and to every federal member in Nova Scotia with the request that they work in season and out of season for the consummation of these ideals so dear to our hearts and so vital to our interests.

[Mr. Macdonald (Cape Breton).]

Briefly, the resolution recommends that this government take under consideration the advisability of extending the Cape Breton railway, which now runs from Point Tupper to St. Peter's, eastward as far as Louisburg. The resolution also asks that the sum of ten thousand dollars which was borrowed by the municipality of Richmond to pay for the right of way when the Cape Breton line was built in 1903, be refunded to the municipality by the federal government, and further, that a branch of this railway be extended to Arichat, the shire town of the municipality. The construction of such a railway would be of great benefit to the fishing industry of Isle Madame, on which our shire town of Arichat is located, and also to the various fishing communities lying between St. Peter's and the town of Louisburg. The fishermen along this coast require railway transportation. A large proportion of the best farms and farming land in Cape Breton west and Richmond lies along the proposed route of this railway extension. There is available in this section of the country sufficient pulpwood to keep a 150 ton per day pulp mill going for the next forty years. This large pulpwood reserve cannot be utilized except by the construction of a railway. Almost every variety of mineral ore is to be found in this region, zinc, copper, lead, manganese, limestone, iron, coal, as well as building material. As regards some of these minerals, we are already beyond the prospecting stage. That vast quantities of zinc, lead and copper exist there, has been proven by a large corporation now carrying on operations in this district; I refer to the British Metals Corporation. They have spent upwards of $200,000 in development work in this district during the past year, and it is their intention to operate on a large scale as soon as spring opens. The industrial development of this area has been seriously hampered during the last few years owing to the lack of transportation facilities, and it is to be hoped that this government will immediately take steps to remedy the existing unsatisfactory state of affairs.

As regards the $10,000 claim which the municipality of Richmond holds against this government, I might explain that the municipality, having been refused consideration in the matter of railway facilities by both federal and provincial governments, guaranteed free right of way to any corporation that would undertake the building of a railway. A corporation was organized for this purpose, and the road was built as far as St. Peter's. The municipality of Richmond expended $10,000 in buying the freehold for the present right of way from Point Tupper to St. Peter's. The

road was completed in 1903, and was operated by the Cape Breton railway company up to 1920 when it was acquired by the federal government and incorporated into the Canadian National railway system, and the municipality of Richmond claim, together with myself, that the federal government should now reimburse the municipality for the amount of money expended in acquiring this right of way. I may say, Mr. Speaker, that I strongly support the claim.

In 1926, under the Conservative regime, I brought the matter to the attention of the acting minister of railways, with the result that a departmental official was sent into the municipality. After consultation with the municipal authorities and going into the matter personally he recommended favourably to the Railway department. I would ask the hon. Minister of Railways and Canals (Mr. Dunning) to take the matter under favourable consideration and reimburse the municipality of Richmond for the money they expended in this connection. I do not feel that we are under any obligation to the revenues of Canada for any favours granted us in this respect, for the reason that valuable rolling stock, right of way and railway rights were acquired by the federal government in 1920 for the paltry sum of $100,000, and the railway has proven under Canadian National management to have been an asset rather than an encumbrance. I have it on authority that during the last year this was one of the few branch lines that earned operating expenses and was not a burden on the Canadian National railway system or on the treasury of this country.

Mr. CHARLES B. HOWARD (Sherbrooke): Mr. Speaker, permit me for a few minutes to join with those who have preceded me in congratulating the Minister of Finance (Mr. Robb) on the splendid budget that he has again given to the people of Canada. Not only do I congratulate him on this budget, I congratulate the entire government on the success of its administration. It has frequently been said that they have been able to retain power, but it must also be said that they have been able to demonstrate by the increasing prosperity of the Dominion that Liberal principles are conducive to such general prosperity. The government have been able to provide for the necessary expenditures and at the same time reduce the net debt by $42,000,000, thus saving in interest at least $2,000,000 that otherwise would have had to be paid by our people. Even more important than this is the Finance minister's outlook on the future, for he states that on the estimated revenues for the fiscal year 1927-28 he believes that next year he will be able to make a further reduction in taxation of at least $19,000,000.

Hon. members on the other side of the house have tried hard to show—and this point was particularly stressed by the member for St. Lawrence-St. George (Mr. Cahan)—that the net debt instead of having been decreased has been increased on account of the guarantees of Canadian National Railway bonds. In this connection I wish to quote a few lines from the speech of the hon. Minister of Railways (Mr. Dunning) to make clear the situation. He said:

> All the debt of the Canadian National Railways to the people of Canada is now treated as part of the net debt of the Dominion. . . that portion of the debt of the Canadian National Railways which is owed to the public, and on which the railway is earning the interest, is not a part of the net debt of Canada, but is a charge against the railway.

And rightly so. But the hon. Minister of Railways was perhaps too considerate of hon. members opposite or too gentle in his manner to make a contrast between the condition of the Canadian National Railways to-day and in the past, something that I claim is most important to consider in the interests of the taxpayer. The facts of the case are these. In 1921 under Tory administration $42,000,000 was taken out of the pockets of the taxpayers to pay the railway deficit, while to-day the system has earned $42,000,000, enough money to pay interest on all the debentures in the hands of the public. And this in spite of the fact that between 1921 and to-day freight rates generally have been considerably reduced. As to the condition of the railways of Canada to-day, I would quote from the Montreal Star of Monday night, as follows:

> Canadian Pacific traffic earnings for the month of February show an increase of $1,608,000, while those of the Canadian National increased $2,636,797, making a combined increase of $4,244,797 over February of last year.

I was sorry to hear the hon. member for St. Lawrence-St. George criticize the Canadian National railway system and its management, but I rejoiced to-day when the hon. member for South Wellington tried to reinstate the Tory party in the confidence of the people by praising the Canadian National Railways and Sir Henry Thornton. Undoubtedly the sentiment throughout Canada is that the criticism of the hon. member for St. Lawrence-St. George was unjust and unmerited. I congratulate Sir Henry Thornton on the splendid spirit that he has engendered in his employees. I wish to pay tribuate to the employees of both our railway systems, and to assure them that the successful operation of these railways is due more to their co-operation than to any other factor.

Now, Mr. Speaker, I turn to an item in the budget that has not been referred to very much on this side of the house, and has not even been mentioned by our friends opposite, but nevertheless to my mind it is one of the most important things in the budget. On page 508 of Hansard the Minister of Finance shows that he has a surplus of nearly $55,000,000, but he has reduced the net debt of Canada by only $39,000,000. Naturally this raises the inquiry: Why is not the whole of the surplus set aside in reduction of the national debt? The explanation is simple. The government had to face a loss of nearly $16,000,000 on account of the poor administration of their predecessors. The government could not decrease the net debt of the country to the full amount of the surplus because after the war the Tory government devised a scheme to rehabilitate our returned soldiers by placing on farms those who wanted to take up farming. I do not criticize the motive; it was splendid. But I do criticize what happened. The figures in the budget show exactly what did happen. These men sent their friends throughout Canada to purchase farms, and in my own section, as well as in other sections, the prices paid were according to the degree of friendship which existed between the purchaser employed by the government and the man who had a farm for sale. As a result the government to-day is revaluing the soldier settlement lands and trying to give to the returned men, who paid a great deal more than their farms were worth, a square deal, and so in a small way recompense them for the great service they rendered their country overseas.

At this juncture I might contrast the direction of the policy of soldier re-establishment under the Tory government in 1920 and 1921 with the administration of the department under the present government. I wish to congratulate the Minister of Immigration (Mr. Forke) on the splendid work he has done and is doing in this connection. I can assure the house that in the eastern townships, in which of course I am more particularly interested, we have one of the finest committees on revaluation to be found anywhere in Canada. That committee comprises men who are not politicians but who enjoy the complete confidence of the entire district which they are endeavouring to serve. I am sure that in that section the soldiers will secure justice. And we owe them justice. The fact still remains, however, that the Minister of Finance could not further reduce the debt this year by $16,000,000 on account of the money wasted by the Tories in the purchase of those farms. One more suggestion I would offer in regard to the treatment of our soldiers. I trust that, even if it may not appear on the statute books of Canada, our government and our government officials will stretch a point, if they have to go out of their way in some cases, to give full justice to these men or to their wives, families and dependents when perhaps their case does not absolutely come within the letter of the law.

This brings me to another item in the budget speech which I wish to touch upon, namely, the refunding scheme. Everyone is cognizant of the fact that throughout Canada nearly all of the financial institutions and trust companies are quite keen on some scheme of refunding the war debt. For my part I think it would be a splendid thing, but I was pleased to read, on page 509 of Hansard, in the budget speech of the Minister of Finance, the following words:

> " I submit that until Canada is nearer the pre-war rate of taxation, annual reduction of taxes is as important as reduction of debt. Our policy is to reduce both."

With which I agree. I submit this for the consideration of every Canadian citizen: This generation, from 1914 to 1928, has suffered to pay the price of the war; in 50,000 Canadian homes there is the vacant chair which indicates their participation in the war. Some of our financial men have lost hundreds of thousands of dollars as a direct result of the war, and more than ever our working and labouring population is still bearing the brunt of the struggle. Why, then, ask this generation to curtail still further in order to pay off the debt of the country? Have we not done our share? Let us reduce taxes and use the surpluses we have each year to build up Canada and to make this country a greater place to live in than it is to-day, so that we may be able to hand on to the future a heritage worth while. Let us leave to our children's children the paying off of the war debt, seeing that we have done our share, and especially in view of the fact that it is in the best interests of this Dominion for us to leave to posterity, after we have played our part in the war, a going concern, a country greater than it is to-day.

I am reminded of the picture painted in the house the other day by the hon. member for Fort William (Mr. Manion). Certainly the hon. member was experiencing one of his off days when he depicted all the closed factories throughout Canada. As he painted that picture I wondered what he was referring to, and I came to the conclusion that possibly the hon. member for Fort

William had passed through Oshawa on the day the automobile factories were closed while the employees were in Ottawa in a delegation.

Mr. MANION: I was referring to the closed factories in my own constituency.

Mr. HOWARD: In view of the hon. gentleman's remarks, I think perhaps it might be just as well for me to cite some facts regarding my own home town, Sherbrooke, the queen city of the eastern townships, one of the most beautiful and prosperous cities in Canada, ideally located, even if it is small. I want to call the attention of the house to the fact that during the calendar year, 1927, the figures of exports to the United States alone, apart from supplies to our home market in that little section of the country known as the eastern townships of Quebec, amounted to $19,251,000. This quantity of products, through the only consular district, Sherbrooke, was sold and shipped to the country to the south of us. This mirrors the prosperity of our people. Last night I received a local newspaper in which I find that the surplus of Sherbrooke for the past year amounts to nearly $2,000,000, while the operating surplus in the electrical department, which is run under municipal ownership, is $245,000. Furthermore, the municipal tax rate in the city of Sherbrooke for the next twelve months has been reduced from 12½ to 10½ mills on the dollar. All I can say to the hon. member for Fort William is this: If next summer the hon. gentleman finds things in Canada so bad I shall be glad to have him come down through our section of the country where I promise that we will demonstrate to him that Canada is still prosperous. That the people throughout the country are patriotic has been fully shown by the wonderful celebrations which took place on July 1 last. In my own town we had on that day a celebration which was second to none in Canada.

Our farmers are coming back to their own, and I say this advisedly. I want to congratulate the Minister of Agriculture (Mr. Motherwell) on his decision to extend during the next two years the restricted area as far east as St. Francis river. We in that part of the country are affecting the markets of the United States by our exports to such an extent that I find, in another item in the newspaper, the statement that in Washington the other day a delegation of farmers insisted that the United States government should raise their tariff in order to keep out our products which are being shipped from this section of Canada. As regards unemployment, I can only say that it is practically non-existent in my town. Every member of parliament knows, from his position, how quickly men call upon him when they are out of employment; so when I say that during the last six months only two persons have interviewed me looking for jobs, the house will realize that unemployment is insignificant in Sherbrooke—that in fact it does not exist.

Now I want to say a few words regarding the tariff. And first of all I want to congratulate the tariff board on the splendid work it has done in the investigation of cases brought before it. I make this statement after careful consideration, and not as a member of parliament. On several occasions the manufacturers of my town asked me to come to Ottawa with them and sit in at the hearings of the board. I did so and was surprised to see the manufacturers putting up their case on one side and the Consumers' League, on the other side, advancing its arguments in the interest of the taxpayer. The result is that there has been worked out a scheme which is reflected in the budget and with which we are satisfied in the city of Sherbrooke, even if two of our industries had their raw material slightly increased and one of the others, in the woollen line, had yarns put on the free list. I trust however the time will come when the tariff will be taken out of politics entirely. When I look at the tariff I cannot see why we should disagree with the western members of the Liberal party or even with some of the broad-minded members in the far corner. In the city of Sherbrooke we have two silk industries manufacturing silk stockings and garments which have a protection of 25 per cent against other countries shipping similar materials into Canada. Yet the prices of their products as sold to the consumers of Canada are exactly the same as the prices for which the American manufacturer sells to the United States consumer, so our manufacturers do not take advantage of that tariff of 25 per cent. That is what I call playing the game fairly.

I would also call attention to another industry which is carried on in the city of Sherbrooke; I refer to the manufacture of tire fabrics. This industry sells practically all its output to one concern in Toronto, to which the hon. member for North Simcoe (Mr. Boys) referred the other day. He congratulated the rubber people on their extraordinary showing, and demonstrated that the small tire used on the Ford car was actually selling for less in Canada than in the United States. But I may tell the house, Mr. Speaker, that that is made possible only because an industry in Sherbrooke, employing

one thousand hands, is shipping its raw fabrics to Toronto, and in spite of a 25 per cent tariff protection the average price last year on its total output was only 6 per cent over the price in the United States. That is the policy of this party, in contrast to the policy outlined in two extraordinary speeches coming from the opposite side of the house to which I listened.

In this section of the country we use a great deal of coal; our labouring classes and our poor people all use coal, and I am going to take home a good many copies of the speeches of hon. gentlemen opposite in which they advocate a duty of $1.50 on coal coming from the United States. I want to tell the people in my constituency that the Conservative party want the people to pay $1.50 a ton more than they paid this year for their supply of coal next winter. As a matter of fact, while I am deeply interested in the working classes and the poorer people, who need the government most, I am also frank enough to say that the people in the constituency of Sherbrooke do not expect the government to feed them every morning; they are willing to work for what they get.

Now I come to the reduction in the income tax. I do not know that my ideas in this regard will coincide with the ideas of other hon. members of the house, but first I want to congratulate the Minister of Finance for the reduction he has made this year. At the same time, I want to give my opinion of what I think should be done eventually in this regard. I believe the reduction should be continued until the rate is about one-half the present rate, which I believe is too high. I should also like to see the tax on corporations reduced to 5 per cent, which is quite reasonable. Then I should like to see the exemption raised by $2,000 next year, $2,000 the year following and $2,000 the year following that, until no person in Canada with an income of less than $9,000 will be called upon to pay income tax.

In this connection there is another point which I should like to bring to the attention of the house. A number of people were fortunate enough to buy tax exempt victory bonds, but I am sure if you look around this house, you will find no one, with the exception of my deskmate and the leader of the opposition, who owns any of those bonds. However, in 1931 bonds will come due to the value of $52,000,000 from which the treasury of this country has not received a cent in taxes in the past ten years; in 1933 tax exempt bonds totalling $446,000,000 will come due, while in 1937 we shall have to redeem bonds of this class to the value of $326,000,000, making a total of $824,000,000 from which the treasury of this country has not received a cent in the past ten years.

The one thing to-day which saves Canada from bolshevism, communism and socialism, is the fact that we have never adopted the principle that everyone should pay alike; that principle is not followed by any profession in Canada. Consider the medical profession; if the leader of the opposition were taken to the hospital and operated on for appendicitis I am sure his bill would be $1,500, and rightly so. If another member of this house should undergo an operation for appendicitis he might be charged $250 by the same doctor. But if Jimmy Jones, in my town, were taken ill and rushed to the hospital and operated on, if there were any charge at all I will bet the same doctor would not charge him over $35. So I say I am glad that in Canada we have recognized the principle that those who have the most should pay the most, and therefore I am not in favour of the further reduction in the income tax. As one hon. member in the far corner said, we could relieve one hundred thousand of the income tax payers, by raising the exemption, and anyone whose income is over $9,000 deserves to pay something into the coffers of this country.

Then there is the question of prosperity in Canada. In the Financial Times of this week, which represents public opinion in the financial centres of Montreal, I find this statement with regard to Canadian stocks:

Net gain in capital value of $743,302,691.

That means there was an increase of almost a billion dollars in the value of Canadian stocks last year. I am pleased with that state of affairs, because it denotes the general prosperity of Canada, but I have just a word or two of warning to add. I have every respect for the Department of Finance, and the value of that department was demonstrated last year when a certain trust company tried to put something over on the people of this country and were not allowed to do so, because the Department of Finance said, "No, you cannot go ahead doing business unless you put more capital into your concern." I say this advisedly, that we do not want to load Canada with the burden of over-capitalization, because when stocks are split, when values are increased and water is put into the stocks there are only two possible results in a general way; either the cost of their product to the consumer is increased or the wages of the employees are lessened, and I do not want to see either of these things happen. So I hope that this government will be able in

the near future to place on the statutes of Canada a law which will provide that any corporation increasing its capital must first secure the consent of the Minister of Finance.

Now, Mr. Speaker, I will ask you to call it six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HOWARD: To complete the argument I was advancing when the house rose at six o'clock I should like to make this statement: We all remember the famous reduction in the duty on automobiles. It is not necessary to review the facts with respect to it except to say that when a fair proposition was made to the manufacturers and they were asked to reduce the price to the Canadian consumer, of cars manufactured in Canada, they refused absolutely to do so. They persisted in maintaining the price at the American retail price, plus the Canadian duty of 35 per cent. Then this government reduced the duty on automobiles and the price dropped to exactly the amount of that reduction in duty. I would suggest again to the manufacturers of automobiles that they cut the price of their cars in Canada 15 or 20 per cent, and if they would do so that we should put back the duty to the original rate of 35 per cent in order to keep out imported automobiles, and yet give the Canadian consumer the benefit of the reduced price. I make that suggestion in the hope that the manufacturers in Canada are willing to play the game with the Canadian consumer, and with the idea that the tariff may be used to keep out American or other competition without increasing the price to the consumer in this country.

During the past two weeks we have heard in this house speech after speech criticizing what I consider a mere detail of administration. Surely in olden days the Conservative party not only indulged in criticism of the general policy of the government but suggested remedies for whatever they considered defective in that policy. The course pursued by the Conservative party to-day in regard to the McConachie case illustrates the straits to which they have descended. Now I view that particular matter in this light: I am not prepared to state that any mistake was made, but I do say this: If the government has allowed the person in question to enter Canada, I suggest, and I think we are in duty bound to do so, that the whole family be taken back to Scotland, that their home be repurchased and that they be re-established there. But in spite of the sympathy I personally feel for the family under the conditions, I am still prepared to say that we must keep up the quality of our immigration regardless of the quantity. I am not surprised considering the speeches of opposition members, that the figures of immigration are not larger than they were during the past year. Only this week the leader of the opposition (Mr. Bennett), for whom I have the greatest respect, made a speech in the city of Montreal, and I wish to read an extract from that speech as reported in the Montreal Gazette of Monday, March 5th:

> Canada selling her estate, says Hon. R. B. Bennett.

I do not believe that Canada is selling her estate. I defy any member on either side to prove that such is the case. But I would ask this question: Outside of criticism of a mere matter of detail in the particular case alluded to, what policies or general suggestions have the opposition made to the government outside of a suggestion that a duty be imposed on coal? I pay this tribute to the hon. member for Toronto Northwest (Mr. Church): he at least has the courage of his convictions to the extent that he has placed a motion on the order paper asking the government to go ahead with the deepening of the St. Lawrence waterway; but in spite of the fact that a great many hon. members opposite come from Toronto, or from that section of Ontario deeply concerned in this matter, not one single member on that side has advocated a policy that would mean increasing our immigration and increasing our prosperity.

Mr. HOCKEN: There is lots of time for that.

Mr. HOWARD: I refer particularly to the deepening of the St. Lawrence waterways. As to the remark of my hon. friend, this debate is practically over.

Mr. HOCKEN: You will hear from us about it.

Mr. HOWARD: A great many articles have been written and a great many suggestions have been advanced with respect to this proposition, and in almost every instance the only objection to it is on the score of cost and its international features. As I stated this afternoon, I am not worrying one bit about the cost to Canada. I think that as Canadians we ought to spend in the development of this country the money available in our surpluses, and if there is one thing which in my opinion would develop Canada it is the expenditure of possibly $600,000,000 on the deepening of the St. Lawrence waterway.

During the three sessions that I have had the privilege of being a member of this house I have heard hon. gentlemen opposite ask this government many times to stop Chicago from stealing the water of lake Michigan for the purpose of diverting it into the Mississippi river. If the opposition are so much concerned about the interests of Canada, let them cease criticizing the Immigration department over the McConachie case and make some constructive suggestions that would really be in the interests of this country. The diversion into the Mississippi river of 8,500 cubic feet of water per second from lake Michigan is a serious matter to Canada. When we utter those figures rapidly it does not seem to be a very serious matter, but those who are acquainted with the city of Sherbrooke know that power is developed there on the river Magog. That power has helped make Sherbrooke what it is. Now the mean flow of the Magog river is 550 or 600 cubic feet per second. In other words the water that is being taken from lake Michigan, and which belongs to Canada, is fourteen times the mean flow of the river which furnishes power to Sherbrooke. The biggest argument against this development is its international feature, but my position in that regard is that I have every faith in Canadian statesmanship and I am not the least bit afraid to treat with the United States on that subject. If that project is carried out, one thing we know it will do is put a stop to the building of a canal from Buffalo to the Hudson river and in view of the extent to which our Canadian trade is already going via New York surely it is imperative that we make every possible effort to divert this trade through Canadian channels.

As regards the power development in the St. Lawrence river I am sure that the people hardly realize, when they criticize the project, that of the total fall in the river between Kingston and Montreal only 93 feet is in the international section while 115 feet is in the all-Canadian section, so that in any case Canada stands to benefit by more than 75 per cent of the total power development. Some remarks that I made the other day on this subject were misquoted and I wish to correct that error now. If this scheme goes through we shall interest not financially but morally the large section of central United States and also the state of New York, which is interested in the power end of the scheme and they will be a large factor in stopping the Chicago steal. Speaking as a man from Quebec, I believe if the deep waterway were built for no other purpose than the fact that it will permit a development of power near the city of Montreal, that it might be a good thing to have this power in the hands of the government rather than allow it to pass into the control of private individuals.

If we are so much interested in the prosperity of our country, let us remember that in the past this prosperity has always been due to some great government work being undertaken. For instance, the time that my section of the country went ahead was when the Grand Trunk railway was built through the eastern townships. In fact from that section the people came in delegations to Montreal, the then seat of parliament, and asked the government to undertake some governmental work during that period. When the great Canadian Pacific railway was built through Canada, there was, as was stated again this afternoon, a wonderful period of prosperity. If we want a successful immigration policy; if we want to bring people into Canada; if we want to make Canada prosperous, let us go ahead with this scheme, and even if we create a false prosperity during the next ten years and spend $500,000,000 or $600,000,000, the effect will be that it will make two jobs in Canada for every man and create an employment situation such as is essential to the development of our country.

In closing, Mr. Speaker, I may say that the first budget of the Liberal administration in May, 1922, showed a deficit of $81,000,000, and to-day, after six years under this government, and including two months and thirteen days under Tory administration, there is a surplus of nearly $45,000,000. So much for Liberal administration so far!

Mr. W. K. ESLING (West Kootenay): Mr. Speaker, it has been said that when a compliment goes from those who sit on your left to those who sit on your right it should be accompanied by a brick, but to-night I am going to omit the brick and to acknowledge and to thank the Minister of National Revenue (Mr. Euler) for his courtesy in connection with a matter which materially affected a mining section of my district. Had he taken the course which the case justified and adopted stringent measures, the pay of a number of miners would have been materially affected. It would have prejudiced a number of miners working leased properties; it would have jeopardized the position of a number of creditors, and it would have retarded, at least temporarily, mining development. The minister was very considerate and generous; I may say that the matter was satisfactorily settled all round, and I am glad to be able to make this acknowledgment.

I want also to congratulate the Minister of Agriculture (Mr. Motherwell) on the successful installation of a pre-cooling plant at Wynndel, in my district. It has been a great aid to the berry and fruit growers, and while it was completed only last year it served a very effective purpose, a particular instance being cited in connection with some thirty tons of strawberries. These strawberries would otherwise have been a total loss, but they were saved by the ability to put them in this pre-cooling plant. They were processed and cooled to freezing point; then they were packed in barrels and shipped seven weeks later netting the owners some four thousand dollars. Shipments from this district, namely, the Creston district, in 1927, amounted to just over half of a million dollars; it is one of the banner fruit and berry districts of British Columbia. The yields were as follows:

Forest products..	$225,000
Fruit and vegetables..	255,000
Poultry products..	35,000
Live stock, and so on..	10,000

There were 92,376 boxes of apples shipped, which brought $133,000. And next to apples come the strawberries. Creston is a wonderful strawberry district. They pick the berries in the morning and the next morning without change of cars they are on the market at Calgary.

I have this little memorandum of production from the Creston Review which I should like to put on Hansard:

> The great revenue getter was strawberries with an outgo of 30,000 crates, for an intake of $60,000. In addition to this 15 tons went out for jam manufacture, and another 30 tons were processed and shipped to Toronto for making soda fountain cordials, flavourings, etc. Of this creditable total it must be stated that fully 75 per cent was produced at Wynndel.
>
> Of raspberries 6,716 crates were marketed, worth $15,113, and when to strawberries and raspberries is added the value of the loganberries, blackberries, gooseberries exported, Creston district can claim a 1927 berry crop worth not less than $85,000. Red and black currants, placed at 1,526 crates, were worth about $3,000.

Probably no other district in the interior of British Columbia has such splendid marketing advantages or such a promising future. Extensive reclamation projects are in view which will add materially to the vast area of fertile land in that district.

I should like to say just a few words about the budget, because that portion of any budget in any country which contains even a suggestion of reduced taxation is always a good political gesture as indeed is any measure likely to lighten an individual's financial burden; and nobody knows this better than the Minister of Finance (Mr. Robb) himself. He had experience in the last campaign; instead of going from place to place excusing and explaining and denying and defending the shortcomings and the sins of omission and commission of his colleagues and his party generally, he simply talked about reduced taxation and he got away with it. It may be very truly said that many of those who sit on your right owe their membership in this house to-night to the policy adopted by the Minister of Finance of merely talking about reduced taxation.

As regards this reduction of ten per cent in the income tax, while a ten per cent reduction sounds very fine it does not mean so much when one remembers that Canada has a population of 9,000,000 people of whom only 116,000 pay this income tax, so that practically 8,900,000 are not affected by this reduction to the extent of one penny. It means that the rank and file of the population of Canada, people earning say less than $3,000 a year, will not benefit to the extent of one penny. Nor does it mean anything to the man on the ten or twenty-acre plot of land who depends for his living on the sale of farm products, vegetables, poultry and so forth. While this cut in the tax does lessen the burden on the big fellow, I think everybody agrees that it is the big fellow who should pay the bill, and if there is one fair tax in Canada it is the income tax.

Had the budget provided for the total abolition of the sales tax by the end of 1928, as urged by the Conservative amendment, practically every wage-earner and every small farmer in the Dominion would have benefited. I think people seldom realize when they are paying a sales tax. A family of five, a man, his wife and three children, living in a moderate way, will have to pay a tax of $20 per year on their clothing, but simply because the sales tax is not marked on the bottom of the bill people fail to realize that they are paying it. Or take the case of a man who is building a house. He seldom realizes that he is paying sales tax on the materials entering into that house, whereas as a matter of fact it is estimated that sixty per cent of the cost of a $3,000 house goes into material, and on that the man is paying sales tax: in other words even under the proposed reduction in the sales tax the man who puts up a $3,000 house will still pay $52 in sales tax.

I want to speak of my own particular district for a few moments, because naturally every member is interested in emphasizing the conditions in his own district. I want to show how the tax applies in some communi

ties. In the town of Trail, for instance, during the past five years, the expenditures on dwellings, business blocks and public improvements have amounted to $2,206,000, on which sales tax amounting to $53,000 has been paid. In addition to that we have a very progressive industrial institution in that city, which in the last five years has paid approximately $180,000 in sales tax on the materials used in their construction work.

When you buy a motor car, no matter how cheap it is, you have to pay a sales tax of from $25 to $40 on the car. My district, as well as the adjoining one represented by the Minister of Health in this government (Mr. King), who is the minister for British Columbia, is composed almost entirely of wage earners and small farmers, and they would have retained a very much larger proportion of their pay cheques if the sales tax had been abolished last year as urged in the amendment moved by the leader of the opposition. He then urged the total abolition of the sales tax on clothing, and I find by Hansard of March 17, 1927, that the hon. member for East Kootenay (Mr. King), the minister for British Columbia, in whose district, as I said, there is a very large percentage of wage-earners, was not very solicitous then about the families of the wage-earners because he voted against the amendment to abolish the sales tax on the family wardrobe.

It is to be regretted that the Minister of Finance has not seen his way clear to abolish double taxation on dividends. There is one thing a young and growing country needs, and that is outside capital to aid in developing its resources. The investor is naturally prejudiced against a country in which his returns are taxed twice as compared with a country in which they are taxed only once. At the conference on taxation that was held in October last, the Dominion government was requested to discontinue the practice of double taxation, and I regret that it has not done so in this budget.

I am now going to refer to a matter which might perhaps more properly be brought up when the estimates are under discussion, but I bring it to the attention of the government now because the need is urgent. I refer to the necessity for the immediate construction of a public building in Trail. It has been announced by the government that an item for a public building in Trail will be noted in the preparation of the supplementaries, but as this must be approved by the cabinet in council, I wish to make a few observations in its support. Last session the Minister of Public Works (Mr. Elliott) said that it was the policy of the government to erect public buildings only where the accommodation was inadequate and the necessity urgent. That is a sensible and businesslike policy with which I agree, and I propose to show that the needs of Trail come under that head. There can be no excuse for not erecting a public building in Trail on the ground of lack of funds, because the Finance minister in his budget speech stated that there was a surplus of $54,000,000 and estimated revenues sufficient to meet the needs of a growing country. A site for a public building was bought and paid for in the city of Trail in September of 1925, and I have a letter and a wire here dated September 27, 1927, from the resident architect at Victoria, saying that the matter was of great urgency, as indicated by a telegram from the Public Works department at Ottawa. It was of great urgency then, Mr. Speaker—that was just four weeks before the election—but unfortunately since that time nobody in the government has been interested in the matter. According to the 1921 census the city of Trail had a population of 3,020, and that number has increased to-day to 8,500, or approximately 9,000. To show the deplorable lack of accommodation in the post office, I would point out that there are from three to five families sharin a post office box, and 500 additional boxes are needed to meet the applications on hand. Nobody wants the government to spend money foolishly, but I say that the men going off shift from the great industrial plant at Trail are entitled to adequate postal service, and the most deplorable feature in Trail at present is the post office and customs accommodation. There is located at Trail the largest metallurgical plant in the British Empire, treating lead zinc ore from the richest mine in the world. The mine has ore blocked out to a value in excess of one billion dollars. The plant produces pure gold, silver, lead, zinc, copper, antimony and by-products to a value of nearly forty million dollars a year. It furnishes 10 per cent of the world's lead supply and 7 per cent of the zinc supply. It produces daily 400 tons of lead, 300 tons of zinc and 70 tons of copper. It pays more than one per cent of Canada's total freight bill by rail and water. The company is capitalized at $15,000,000, while to-day the shares are selling on the open market at a price equivalent to a total value of $165,000,000.

The permanency of the city for which we are asking this public building is emphasized by the fact that the company has loaned its employees $700,000 for the purpose of

erecting homes. The company itself has erected a $100,000 store building, a $100,000 hospital—and, by the way, it is the last word in hospitals of its size—and contributed $35,000 to a memorial building. It has also advanced money and made possible the construction of an artificial rink at a cost of $50,000. The life of each employee is insured under the group plan. After a certain period of service with the company an employee is retired on pension. The company maintains the largest herd of pure-bred Ayrshires in the Dominion for the purpose not only of supplying the residents of Trail with milk, but of furnishing a bottle of milk every day to each of the men employed around the lead furnace. At Christmas—I just want to show you that this company is intensely human—each married employee receives a gift of $50 in cash and a turkey; each single employee a gift of $25 in cash and the equivalent of a turkey in merchandise. After three years' service an employee is given a share of stock, the market value of which to-day is $274. As I said before, it is an intensely human institution, and the pity is there are not more in Canada.

Trail's payroll is nearly $5,000,000 a year. The company, together with the community, pays annual taxes to the province and to the federal government of $2,000,000. Last year they paid into the federal treasury in taxes a sum equivalent to six times the total expenditure on federal public buildings in British Columbia, including rents, repairs, and mortgage interest on a federal purchase in Vancouver. Although the federal treasury has received this immense sum, the federal government has not in thirty years spent one solitary dollar in Trail, with the exception of the $11,000 which it paid for the purchase of the site to which I have referred. Every street in the city is paved with concrete, and the sidewalks are of cement. In the past five years the company has done construction work to the value of $7,000,000, and the city has issued building permits for dwelling houses and local improvements to the value of $2,000,000. The customs and excise duties collected in Trail for the fiscal year 1926-27 amounted to $120,000, and the post office revenue for the same fiscal year ranks Trail No. 9 out of 931 post offices in the whole province.

Now, Mr. Speaker, these facts would indicate that there is certainly good reason for urging the erection of a post office in Trail. It was only a few days ago that I received a telegram from the city council asking that the government be urged to have such a public building completed this year, as the situation is urgent. First of all, there is a lack of accommodation, and then there is urgency. The hon. Minister of Public Works stated his policy was to erect public buildings where there was a lack of accommodation, and urgent necessity. Here both conditions prevail. The telegram contains this paragraph:

> The rent of the present building has lately heavily increased, with the consequence of an increase in box rents, making these box rents higher than anywhere else.

I wish particularly to impress upon the minister the lack of accommodation. I have a letter from the Ratepayers' Association of East Trail which says:

> As the company is daily adding to its number of employees the congestion becomes greater. With so many cars in our city it is dangerous to send children after school hours and too far for our wives to make the trip,—

I may say this refers to East Trail, which is about a mile from the post office.

> —so it falls on the men to call for the mail on the way home, and they soon tire waiting in this line, and go off home without the mail.

There is further evidence of lack of accommodation. I have also the report of the post office inspector dated September 16, 1926, in which he recites:

> That there are 1,047 boxes in the Trail office; that the postmaster could rent 1,500, that he estimates in three years Trail's population will reach 12,000.

Then the inspector adds:

> I would respectfully request that a public building be proceeded with as soon as possible.

There you have the inspector himself recommending the construction of a public building as soon as possible. He also suggests that the post office contain 2,100 boxes instead of 1,047 as at present. Surely that is further evidence of lack of accommodation. He further suggests that the new building should have three times the present square feet of floor space. This is more evidence of lack of accommodation. Now let me give an extract from the Nelson Daily News, pulished at Nelson, fifty miles from Trail. In an editorial I find the following:

> The Nelson Daily News hopes that the request of the Trail board of trade for a public building will receive in this case a little more than the usual "earnest consideration".

And here is another passage from this editorial:

> There are conditions of congestion; that Trail post office is notorious.

Let me quote further from the editorial:

> The present post office quarters now rank as wholly inadequate and temporary.

In a letter dated February 3, 1927, the hon. Minister of Health of British Columbia writes me as follows:

> I am thoroughly conversant with the matters of that district, and it was with a view of giving better accommodation that I recommended the purchase of property in Trail some time ago, it being my intention to advocate the erection of a suitable building on the site.

I hope the Minister of Health (Mr. King) in meeting of the cabinet council will advocate the erection of this building.

I have another letter. It is from the deputy postmaster general:

> As to post office accommodation, the district superintendent reports that the present premises are inadequate and that a new and suitable building should be erected. A recommendation to this effect has already been forwarded to the Department of Public Works and it is understood that the matter is under consideration.

I have also a letter from the Postmaster General himself as follows:

> I may say that the construction of public buildings is a matter of policy resting with the Minister of Public Works, but I have already made representations to his department that the accommodations at present provided at Trail are totally inadequate and have urged the erection of a suitable public building.

I think I have shown that the policy of the Minister of Public Works applies to Trail.

Last year Canada celebrated its sixtieth anniversary. Flags were flying, bells were ringing, and everybody rejoiced from coast to coast. Altogether it was a wonderful celebration, one that would have gratified the fathers of confederation could they have witnessed the festivities and observed what has been accomplished in Canada in the sixty years from the time those strong and able colonial statesmen framed the act which gave us our constitution. They would have rejoiced to know that we to-day have an educational system in Canada equal to any in the world; that we have a transportation system which encircles the globe; that we have huge water power developments and industrial activities; and that we enjoy all the modern comforts of the most advanced nation. It would, I say, have been an inspiring revelation to the fathers of confederation. Following that celebration came the imperial conference, from which Canada emerged with an allegedly new constitutional status. We have been basking in the sunshine of absolute autonomy; we have been negotiating commercial treaties; and we have been sending ambassadors in every direction. All this makes a thrilling and inspiring picture to hang in the gallery of world progress, because Canada is a great and independent nation.

[Mr. Esling.]

I want to give you another picture by way of contrast. The affairs of this great and independent nation are to-day administered by a government which, without a hearing, without any charges upon which to proceed, and against the written protests of ninety per cent of a community, saw fit to remove a little country postmaster in order that they might appease the appetite of some hungry Grit who wanted to possess himself of the office, the actual remuneration of which is less than one dollar per week. There is located on the Arrow lakes in British Columbia a little community known as Renata. That community is composed of just sixty-one adult souls, all thrifty, enterprising and industrious fruit growers. In the early part of 1927 a vacancy occurred in the post office and fifty-five of these sixty-one persons signed a petition for the appointment of the storekeeper; the other applicant was a Liberal returning officer, road boss and justice of the peace. The Postmaster General must have done so inadvertently, but he appointed the storekeeper, and I have a letter which states that the Liberal returning officer made the boast that within six months he would be postmaster in that community. Well, within not six months but precisely nine weeks from the day of the appointment of the storekeeper word was received, not from the inspector, not from the department, but from the Postmaster General himself—the Postmaster General of this great and independent nation—firing that little country storekeeper whose remuneration was less than one dollar per week. The community protested; it forwarded its protest to Ottawa. But nothwithstanding that fact their representations were ignored; their protests were of no avail. As a community they got together and said, We will not go to the new post office, but will patronize the postal service of the river boats. And to show that they were in earnest, I may mention the fact that whereas the receipts of Renata post office for the last nine months under the new Liberal appointee have been $70, for the corresponding nine months of last year they amounted to $162. The people send one of their community out to the new Liberal post office to get their mail and they bring it to this little store where it is distributed.

I asked for a return of the correspondence in this matter, and naturally enough I expected the correspondence which led to the dismissal of the former postmaster. All I received was the correspondence that took place after his dismissal. There was one letter in which the statement was made that it had been deemed advisable to make the change because of a

change of site. But the site which suits the people is near the wharf, the only outlet for the community, whereas the office of the new postmaster is half a mile out of town, inconvenient to the people of the community. This is a picture which hangs in the gallery of public opinion and shows the political degeneracy of this government. I will add this, however: My personal regard for the ministers on the other side is too great to allow me to think for one moment that the majority of them would condone such a removal. But a government must be judged by the company it keeps, just like an individual. I do not know what part the minister from British Columbia played in this particular affair, but the fact remains that he was the sole survivor of the last Liberal wreck in that province, and anyone wanting a job would naturally appeal to his influence. That was why I asked for the return.

I want to say a word about mining, because of the new activity in the development of our mines. The advances which have been made in metallurgical research warrant the conclusion that it will not be long before the value of the mineral output of Canada equals that of wheat. The value of last year's wheat production was approximately $450,000,000, while last year's mineral production was valued at $241,000,000. With the advances in metallurgy we are now able to treat more complex ores and ores of lower grade, and under this development northern Ontario and Quebec as well as Manitoba will, it is fair to assume, show a healthy increase in mineral output. Experiments in the recovery and utilization of the iron content of the smelter slag are proceeding at Trail, and I hope before long we shall be turning out iron there in addition to the other products.

In this connection I should just like to say that we in Trail, in common with the rest of this Dominion, should feel extremely proud of the fact that last week, in the city of New York, Mr. S. G. Blaylock, manager of the Trail smelter, was awarded the James Douglas gold medal by the American Institute of Mining and Metallurgical Engineers for the greatest commercial achievement in metallurgy. The history of this award dates back to the time of the war, when the allies were paying 45 and 48 cents per pound for zinc, the supply of which was practically controlled by a New York syndicate. Mr. Blaylock and his research staff at the Trail smelter solved the process of separating zinc from ores, as a result of which the Trail smelter was able to supply the allies with zinc at 15 cents per pound. I think, Mr. Speaker, that if the federal Department of Mines would step on it and speed up its research department some day we might hope for equal honours to be achieved by that department.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, before entering into a discussion of the budget proposals I wish to say a few words with regard to some remarks made by the hon. member for Lisgar (Mr. Brown) last evening, when he spoke of the preference for the Conservative party shown by certain hon. members in this corner during the session of 1926. In my opinion the hon. member for Lisgar is the last person in the house to bring up the question of the famous 1926 session, because one of the most humorous incidents which comes to my mind when I think of that session is the awful agony the hon. member went through whenever the fate of the Liberal party was at stake. With regard to my own position I simply wish to say that I have never attempted to make any apology for the stand I took on that occasion. I submitted that stand to the electors of my constituency, and my presence here to-day is their judgment of that stand. I am prepared to let it go at that.

Mr. BROWN: You have apologized for it since.

Mr. LUCAS: No. The hon. member for Marquette (Mr. Glen) also made reference to our attitude at that time, and imputed certain motives to members in this corner of the house. As the hon. gentleman is a comparatively new member and has no personal knowledge of what happened during the session of 1926 or the sessions preceding, his views cannot be based on personal observation. They must be taken as a reflection of the views of certain of his colleagues, and I can only regret that he saw fit to mar an otherwise skilful and well delivered address by making such ill-founded insinuations from unreliable sources. If the hon. member for Marquette will reflect on his own situation he will remember that he came to this house, as the hon. member for Nelson (Mr. Bird) well said this afternoon, full of Liberal and Progressive ideas. He had a double-barrelled pistol, loaded to the muzzle with those principles. When he pointed that double-barrelled pistol at the head of the government, however, what happened? The Minister of Railways (Mr. Dunning) rose and said, in effect, "You have your gun loaded with the wrong ammunition. That is the ammunition we use when we are talking in the country, but it is of no use in this house." So the hon. member for Marquette immediately extracted that ammunition, and we find him to-day,

meekly kneeling at the feet of the government. I think the hon. member should reflect a little before he begins to impute motives to other hon. members.

So much has already been said with regard to the budget that one finds it rather hard to uncover anything new. I feel, however, that if through the discussions which have taken place even one new suggestion may be offered or some of those suggestions already made driven home in such a way as to help in some small degree to bring about the solution of our many and varied problems, then our time will not have been wasted. I must congratulate the Minister of Finance (Mr Robb) on again being able to present a surplus to the house. The minister has been able to show a surplus ever since he took over the office which he now occupies, which is very gratifying indeed. But, Mr. Speaker, in my opinion, it would be much more gratifying if we could honestly believe that that surplus really existed, because many good arguments have been presented to show that if the method of book-keeping to-day were the same as that employed by his predecessor, Mr. Fielding, the minister would have a very substantial deficit instead of a surplus. I think the people of Canada to-day want to know the true situation. I understand that Mr. Fielding presented some seventeen budgets in this house, and we all know the respect in which he was held by the people of this country, irrespective of political feelings. Permit me to read just a short extract from the budget speech of 1923, which will be found at page 2641 of revised Hansard for that year:

> The revenue for the year was $381,952,386.99 against ordinary expenditure of $347,560,690.63. If the surplus is to be ascertained by comparing the ordinary revenue with the ordinary expenditure—and that was the time-honoured way of determining surpluses—then on that year there was a surplus of $34,391,696.36. But there was a capital expenditure of $16,295,332.55. If we take that into account, both ordinary expenditure and capital expenditure, there was still a surplus of $18,096,363.81. Then there were certain special expenditures including demobilization charges, of $1,526,583.22. So, if we take into account ordinary expenditure, capital expenditure and what is called special expenditure, there still was a surplus of $16,569,780.59. So far this is a story of surpluses; but there is a further statement to be made which quite destroys that happy picture. There were charges for advances to railways of $97,950,645.36. If we take, then, the whole expenditure for the year, ordinary, capital, special and railways, there was a deficit in that year of $81,380,864.77. After allowances for some deductions are made, the next result was that year we added to the public debt $81,256,818.04.
>
> We turn now to the year 1922-1923 which closed not many days ago. We have not the complete accounts before us, but there is sufficient information to enable us practically to announce the result. Ordinary revenue amounted to $393,619,000. These are estimates, as the figures are not absolutely final. Ordinary expenditure amounted to about $331,780,000. As between those two items there was then a surplus of $61,839,000. Capital expenditure, however, represents $14,500,000; adjustment of war claims, $6,700,000; cost of loan flotations, $3,050,000; these representing in all $24,250,000. There was thus a surplus over ordinary, capital and special expenditures, of $37,589,000. But again the railways have to be taken into account. We had to advance during that year $92,190,000 for railways, and $6,060,720 for the Canadian Government Merchant Marine, making in all for that charge, $98,250,720. This, of course, takes up all the surplus I have mentioned and leaves a large balance on the other side of the account. If we take everything into consideration for the year, the net result was that we added to the public debt in the year just closed $49,293,086. The receipt of something over $8,000,000 from the British government on exchange account helped us to keep down what otherwise would have been a larger addition to the public debt.

It will be seen, Mr. Speaker, that in 1921-22 Mr. Fielding added $97,950,645 to the expenses of that year in the shape of advances to the railways. In 1923 he again added advances to a total of $92,190,000, and in both those years he had heavy deficits. In 1924 the new Finance minister, out of a total advance to the railways of $74,550,000 added only $24,550,000 to the expenses of the year, and took care of $50,000,000 by way of guaranteed bonds, and by so doing was able to show a substantial surplus. Now what I should like to know is this: If the Finance minister followed exactly the same method of bookkeeping as his predecessor, would he have been able to show that surplus? I am not saying for one moment that the system of bookkeeping which the Finance minister adopts at the present time is a wrong system, but I do claim it is not fair to make these deductions until the Canadian National railways are recapitalized and started off with a new balance sheet, and that balance sheet placed before us when the budget is brought down. We should then be in a position to judge whether any new borrowings should be charged to public debt or not. Until this is done we shall not be able intelligently to discuss the reduction of the public debt, and until this is done the government cannot make a just claim to any such reduction.

I have a very high regard for the Finance minister. His genial personality and his fair treatment of members generally is certainly appreciated. I have also a very high regard for his ability as a politician. A man who can show surpluses where apparently no surpluses exist, a man who can juggle with

the tariff and make people believe they are getting something when they are getting very little, must certainly be given credit for cleverness. Why cannot we be frank in regard to this matter? The Liberal party in their platform of 1919, which has been read many times in this house, declared explicitly that they are in favour of free trade and a lower tariff, and yet the statement has been made, and figures quoted to prove it, that a difference of not more than one or two per cent exists on the whole between the present tariff and the tariff which prevailed under Conservative governments.

Mr. McLEAN (Melfort): What year of Conservative administration are you taking in making that comparison?

Mr. LUCAS: I am taking the average tariff.

Mr. McLEAN (Melfort): In what years?

Mr. LUCAS: If the hon. gentleman refers to the figures furnished by the bureau of statistics and takes the average tariff from about 1868, or when the first tariff was framed, and compares the averages for all those years, I think he will find that my statement will be pretty well verified.

Mr. McLEAN (Melfort): No, sir.

Mr. LUCAS: The budget of 1926 affords an excellent illustration of how this juggling with the tariff takes place. The hon. member for Macleod (Mr. Coote) brought in a resolution in 1925 asking for a reduction in the duty on automobiles. When the vote on that resolution was taken we received more support from hon. gentlemen to my right than we did from hon. members on the government side, and the records will bear me out in that statement. However, the support we received was very small. The next year the hon. member for Macleod again introduced a resolution asking for a reduction in duty on automobiles. That year the government accepted the resolution, and a straight cut of 15 per cent was made in the tariff on automobiles of $1,200 value or under. Now our Liberal friends represent to their constituents, and to the country generally, that there was a straight cut of 15 per cent in the automobile duty. They are quite right in stating that a cut of 15 per cent was made in the duty, but do we find an actual reduction of 15 per cent in the price of automobiles to-day? Only last night the hon. member for Macleod placed on Hansard the actual prices that have to be paid for automobiles, and instead of the reduction in price being 15 per cent, as claimed, it only amounts to about 5 per cent. Now from the party standpoint this may be considered good tactics, but it is certainly not a courageous or a manly way to deal with the people.

Now we come to the present budget, and at first glance one is inclined to think that the changes are fairly sweeping. But on closer examination these changes turn out to be little more than a mere reclassification, and we have not had any explanation from any member of the government yet as to just what the changes actually do mean. We find that there are 122 items struck out, and 159 items substituted. The budget looks like an attempt at window dressing in order to cover up empty shelves. This manner of dealing with the tariff reminds me of one receiving a valentine box. When one is unwrapping layer after layer of highly coloured paper, hope soars high that something worth while is within, but the hope is quickly dispelled when the contents are found to be nothing but a cigarette which quickly disapears in a few puffs of smoke. When one looks at every cut that has been made in the tariff by the present government we find that the manufacturer has been given some compensation which practically offsets the cut so far as protection is concerned. If the government finds it necessary to do this then I say that the philosophy of the Liberal party practically disappears. I have always understood that their contention as put forth to the people was that the manufacturers or the big interests were taking too great a toll out of the masses of the people, and yet while they may reduce the tariff they give some compensation which still allows those big interests the same amount of protection. If after several years in office they have found that it is not in the best interests of Canada to reduce protection, one would have no fault to find with them, if they would come out frankly and say so. I feel safe in saying that since the days of confederation no other question has received more consideration than the tariff, yet we do not seem to be any closer to a solution of it.

We now come to the question of the income tax reduction. I am absolutely opposed to that reduction, but the most serious thing in that connection is the statement of the Minister of Finance as follows:

> It is proposed that the Dominion shall continue gradually to lighten the load in the income tax field.

In my opinion the income tax is the fairest tax that has yet been devised, because it bears most heavily on those who are best able to pay it. It has already been stated in this debate that Great Britain receives a very large proportion—forty-five per cent—of her revenue from the income tax. The United

States, as has been stated, receives sixty-five per cent, while Canada receives less than fourteen per cent. If the income tax is to be lowered or wiped out, this means that we shall have to depend on the customs tariff for revenue to cover both ordinary and war expenditure and the Liberal pledges as to lowering the tariff and shifting the burden from the masses of the people will become a mere phantasy. I cannot for the life of me see how the government can propose to reduce the tariff if they are going to reduce these other modes of taxation, because we all admit that we must raise a certain amount of revenue to carry on the business of the country. We find that this year the total war revenue amounted to $146,470,000 and the total war expenditure to $164,501,000, so that we are short of raising sufficient money to pay actual war expenditure by $18,031,000. Yet the Minister of Finance proposes to make a further cut and gradually to wipe out the income tax. What does that mean? It means that we will have to raise by means of customs tariff not only the ordinary revenue but a sufficient amount to take care of war expenditure, and therefore it is not reasonable to expect that under those conditions the tariff can be reduced.

A great deal has been said about prosperity in this country, but I think one of the best tests of prosperity is to show how our population is increasing. The question of immigration is being discussed more than any other problem in Canada to-day. I have read the speech of the hon. member for Comox-Alberni (Mr. Neill) and I agree very largely with the ideas he expressed in regard to an immigration policy. His policy will be found on page 1018 of Hansard, and briefly it is that he would admit anyone of British origin, sound in body and mind.

Mr. NEILL: White.

Mr. LUCAS: Yes, white; and that he would apply the family quota to continental Europe, so that those from continental Europe who are now in Canada would have to nominate their relatives in order that they might be permitted to enter this country. If those people who are here at the present time were prosperous they would be only too glad to nominate some of their relatives to come to Canada and share that prosperity with them. He quoted from a pamphlet prepared in the United States showing that population did not increase according to the amount of immigration. I have that pamphlet in my hand. It deals with United States conditions, but I believe from figures which I will present to the house in a short time that this will apply also to Canada. The pamphlet states:

> Except for brief periods, immigration will not increase the population above the figure it will reach without immigration. . . If we admit those from other lands we shall decrease by a like number those who will be born of those now here. . . The question for cold-blooded consideration by the American of to-day is this: Do you want the soil inherited by your son or by the son of one who now toils in a foreign land?

While studying the question of immigration I secured from the bureau of statistics some figures which in my opinion are startling, and I am going to place them on Hansard. I will ask hon. members to study them and I am sure they will come to the conclusion that this problem is so serious that we as Canadians should place it above party politics and face it like men. The last Canadian census was taken in 1921, and a quinquennial census was taken of the three prairie provinces in 1926. I wish to quote figures in connection with the population of the three prairie provinces in the period between 1921 and 1926—because this is not an estimate; the figures are accurate on account of the census having been taken in those years. The figures are as follows:

Province	Population 1921	Population 1926	Actual five-year increase	Natural increase 1921-1926	New immigration 1921-1926
Manitoba	610,118	639,056	28,938	52,446	67,243
Saskatchewan	757,510	820,438	62,928	76,362	59,137
Alberta	588,454	607,599	19,145	50,216	54,545
Totals	1,956,082	2,067,093	111,011	179,024	180,925

We should have had in those provinces in 1926, counting the natural increase and the new immigration, a total population of 2,316,031. What does that mean? It means that we lost our whole natural increase of 179,024, and 69,914 out of 180,925 new immigrants, or 38.6 per cent of the new immigration. We hear a good deal about our own Canadians going across to the United States. We know the United States has a quota law against the people of other countries than Canada, and therefore I believe I am quite right in assuming that these people we have lost must have been our own Canadians who have gone across to the United States.

While the figures for the Dominion are not quite as bad as those for the three western provinces, they are still very startling. A

census was taken in 1921, and while we have only an estimate of the population of the whole Dominion for 1926, the bureau of statistics gives the following figures: Total population in 1921, 8,788,483; 1926, 9,390,000. But we had a natural increase between 1921 and 1926 of 856,682, and new immigration amounting to 667,349. When we total this up, we find that we lost our whole natural increase of 856,682, and 65,832 of our new immigration, or about ten per cent.

We find that in the three prairie provinces the number of farms occupied in 1921 and 1926 was as follows:

	Manitoba	Saskatchewan	Alberta
1921.	53,252	119,451	82,954
1926.	53,251	117,781	77,130
Decrease. .	1	1,670	5,824

What has been our general immigration policy? It has been to bring the agricultural class to this country. And yet we find after spending the amount of money we have to bring people to engage in agriculture on our western farms, that we have lost 40 per cent of our new immigration and the whole of our natural increase. Surely these figures are so startling that no one will deny that there is something wrong. We are spending a vast sum of money from our own Dominion treasury, and on top of that I venture to say that every provincial government in Canada is spending a certain amount of money, to bring in immigration. The two great railway companies and many private organizations in this country are also spending vast sums for the same purpose. While it is impossible to get the complete figures, it has been estimated that something like $10,000,000 is being spent each year in Canada to bring immigration into this country, and the result is as I have indicated.

What is the trouble? Is there anything wrong with Canada? I think every hon. gentleman will agree with me that there is not, that we have one of the finest countries in any part of the globe. Is there anything wrong with the people? I think we will answer no, because we find that our Canadians, no matter to what part of the world they may go, are able to capture the very best positions, and can hold their own either in business or in war, if necessary.

Then what is the trouble? Mr. Speaker, in my opinion the greatest curse with which this country has been afflicted has been partisan politics, where men are fighting for party instead of for the country. I believe that if those men would put the same energy into fighting for Canada as they are putting into fighting for their party we would certainly get better results. We should get back to the days of old, when none were for the party and all were for the state There are a great many problems facing Canada and I think every member will agree with me that we spend far too much of our time in bickering over party politics. I picked up a paper the other morning, and the first thing that caught my eye was "421 postmasters dismissed in Canada from October 1, 1926, to February 1, 1928." A few nights ago when we were discussing a vote that had been cut out for a post office at Camrose and one for Mahone bay, the Minister of Justice (Mr. Lapointe) justified the dropping of those items on the ground that the other party did the same thing back in 1911. What we need, Mr. Speaker, is men of the calibre of the fathers of confederation, men who will be ready to sink their party differences and work together in the interests of Canada as they did, laying the foundations of which we are all so proud, and until we have men of that calibre there is very little hope of bettering our present conditions. When one looks at these immigration figures, one realizes that we are spending all this money to bring in immigrants, millions of dollars every year, and the only result we are getting is to supplant our present population; we are changing its complexion without increasing the numbers.

I would just like in conclusion to read the advice which Premier Baldwin gave to Canada when he was over here. He said:

> Canada has an enormous future, and if it be not impertinent to say so to Canadians, I would say: The future is with you; do not be in too much of a hurry. Your country is a country for men of the north, virile races. Quality before quantity any day. Build up with the best. What does it matter if it is a hundred years, or two hundred years, or more, before your country is full? Keep the stock you have, and the men and women you have, and see to it that the coming generations are in no whit inferior to them. I have often thought that it is a dangerous thing to the morale of a nation to get rich quickly as it is to an individual. Time is all on your side. Maintain the values; maintain the standards; and may the prayer of Canada always be the prayer of the Greek sailor which has been preserved for us by Seneca: "God, You may save me if You will; You may sink me if You will; but whatever happens, I will always keep my rudder true."

Mr. ALEX T. EMBURY (Hastings-Peterborough): Mr. Speaker, this is the first time I have attempted to address the house, and I will be very brief, but I feel certain that what I have to say will be received with consideration by all the members.

Mr. LAPOINTE: Hear, hear.

Mr. EMBURY: When I add that I will detain the house for only twenty minutes, I feel sure that I have already received the commendation of hon. members. At the outset may I be permitted to say a few words about my own riding. It is a new electoral division formed by the last general redistribution, and like most of the ridings in the rural and central parts of old Ontario, it has not received that publicity in this house that has brought into more or less prominence the ridings of the prairie provinces and also of the maritimes, whose members have spoken occasionally during the last three sessions on maritime rights. I do not suppose there is a riding in the whole Dominion with more diversified resources and industries than the one which I have the honour to represent. I will briefly enumerate a few of these:

Lumbering is carried on on a considerable scale.

Before the discoveries of our great mining fields in new Ontario, northern Quebec and northern Manitoba, which have lately made Canada famous, Hastings county was the most talked-of mining district in Ontario. Iron, talc, corundum, feldspar, fluorspar and gold mines have been operated at different periods to a more or less considerable extent, and our marble deposits are among the greatest in the world. The talc mines in the Madoc district are known the world over, because practically the whole of the supply for the American continent of talc for toilet purposes is furnished by us. Italy is the only country that has talc of a quality at all approaching it.

Next come our manufacturing plants. We have at Deloro in the very central part of the riding one of the most modern, scientific and largest smelting and refining plants in operation.

I must not forget our tourist trade, which has already developed on a large scale, due to the net work of lakes among our hills—lakes stocked with game fish in abundance.

Last and greatest of all of course is our old stand-by and most important asset, mixed farming.

Now, Mr. Speaker, in spite of all these natural advantages and attractions, I cannot, like the member for North Huron (Mr. Spotton) and other Conservative members, boast of ever having had the honour of a visit from a cabinet minister, to say nothing of the Prime Minister (Mr. Mackenzie King) and his whole cabinet. They pass through on the train and do not even stop at the water tank for water. When they look at their political map they find the constituency of Hastings-Peterborough marked—barren; soil unfertile. That is true, but in one sense only, and I extend to the Prime Minister and his cabinet a cordial invitation to this interesting riding. I may say, however, that it will not be necessary to come at election time.

Now, sir, the outstanding problem of the Dominion to-day is the growth of our population. It is discussed by men in all walks of life, from great economists to the man on the street. In legislative bodies the theme is almost worn threadbare. Yet it is a fact that under present conditions no remedy seems in sight. Canada, so much talked about by ourselves and by other nations as a land of opportunity, a land of great natural resources, a land of rapidly increasing wealth, a land of unlimited possibilities in agriculture and in mining—this land, so far as population is concerned, is almost stagnant. There must be a reason for this, as there is always a reason for everything. The real and only reason is our failure to furnish employment for our own people and for newcomers from other lands. Our situation in relation to the United States is, in one respect, analogous to that of Scotland to England. Scotland has a race of people second to none in the world, but England has the population and the wealth, and always will have. But on closer study there will be found to be a vast difference in the two cases. Sixty years ago Canada looked like a mighty poor neighbour to our friends across the border; but undreamed of wealth and development in our prairie provinces, mining fields and water powers, has changed the situation entirely, and to-day we are looming large in the eyes of the world. But there is still something wrong. United States capitalists are grabbing great volumes of our best investments, while we are giving them in exchange the best of our young manhood. We spend millions of dollars on immigration schemes, but still the exodus goes on, and it will continue until a policy is devised ond put in force that will furnish work for those already here, and those who would like to emigrate here from other countries. Canada has a citizenship that averages as high as that of any country, and is vastly superior to that of most countries. It is the duty of this government, therefore, to throw aside all selfish considerations and compromises and lend its efforts wholeheartedly to a solution of this great problem.

Another subject of controversy has been the effect of the Australian treaty on the dairy industry of Canada, but not until this year, Mr. Speaker, has the situation become so acute as to cause real alarm to the whole of rural Canada as well as to the government

itself. I have before me some figures which will give a pretty accurate idea of the effect of the treaty on this great Canadian industry. I do not wish to worry the house with too much detail, and therefore I will give these figures in concise form. On December 1, 1927, there were 26,932,669 pounds of creamery butter and 660,088 pounds of dairy butter in cold storage—over 6,500,000 pounds more than the average for the preceding five five years. On the same date in 1926 we had over 7,500,000 pounds more in cold storage. On top of this there was brought into Canada from Australia in December 28,000 pounds, and from September 1 to December 31, 3,031,153 pounds; in the month of January, 1927, we received 248,584 pounds from Australia and 3,183,289 pounds from New Zealand, according to the figures supplied by the bureau of statistics. From the latest information received from leading produce men who operated with the steamship companies in Halifax and Vancouver we learn that from September 1, 1927, to February 15, 1928, 5,000 boxes, or 276,584 pounds of Australian butter and 5,437,040 pounds of New Zealand butter were received at Vancouver, and at Halifax 4,685,240 pounds of New Zealand butter. I am told that recently a steamer arrived from New Zealand with about 30,000 boxes, and that another steamer left Auckland for Vancouver on February 12 with 27,000 boxes. From this information it is estimated that the amount of butter brought in or on the water in transit will amount to about 13,500,000 pounds. Then with the several boatloads due to arrive before the end of the month, it is estimated that over 15,000,000 pounds of Australian and New Zealand butter will have come into Canada between September 1 and April 30.

Now, Mr. Speaker, it is difficult to see how our creamery men under these conditions can compete with Australia and New Zealand. If our creamery men during the coming summer are not able to operate at full capacity, it means serious loss to themselves and much lower prices to the farmers. In my riding we have an area 100 miles in length and in parts 50 miles in width, with a network of hundreds of miles of roads, travelled daily from May 1 until November with cream trucks, collecting the cream from the farmers to supply many creameries. Is it any wonder that we view with alarm the entrance of foreign butter at one cent per pound duty? Of course, I am free to admit that other provinces, especially British Columbia, benefit in other ways from the Australian treaty, but it seems that in this case the farmer is the principal sufferer from the policies of the government. I may say that during the session of 1926 those men who were most strenuous in their opposition to the treaty, and who probably most clearly saw its ultimate effect on the farmers of Ontario, met defeat at the polls. I hope that what I have said to-night will not result in my meeting a similar fate at the next election. Now, Mr. Speaker, it does seem to me that this state of affairs is undermining the very foundations and knocking out the main prop of mixed farming. Mixed farming is one of the elements that has made Ontario the richest province in the Dominion of Canada to-day. This government, by the Australian treaty, is dealing a serious blow at this time honoured and basic industry; yet there is absolute silence on the part of the ministry. Does the government intend to act, or not?

Perhaps I may be allowed to digress for a moment to say a word about group government. Let me say at the outset that I hold no brief for group or class government of any kind. Class government in Canada was a post-war condition and we shall not see it again, at least not in our time. But I cannot fail to see that there is some softening of the bitterness that has prevailed in politics from this cause, and in support of this contention I wish to quote, if I may, from the eloquent speech of the hon. member for Southeast Grey (Miss Macphail) in defence of the group to which she belongs. The hon. member says in part:

> The history of the whole attitude of the Liberal party to the new groups since 1921 has been one of protestations of friendship, which, if accepted, have proven to the honest the graveyard of their hopes and to the others a fulfilment of their treacherous plans.

She goes on to say:

> Speaking for myself, I would rather have the bitter, uncompromising, unfriendly and snobbish attitude of the Conservative party. At least it was honest and we knew where we stood. I often wonder why these Conservatives think they are so much better than other people.

On the surface this looks like a slam, but to me it looks like a little friendly slap; and this being leap year I do not think anybody would for a moment accuse the hon. member of boldness in this mild flirtation with the Conservative party. On the other hand, much more vitriolic was the attack of the Minister of Railways (Mr. Dunning) on the Progressive group, which I think showed very bad taste considering that the government of which he is now a member was held in power for years by members of that same group which he now takes particular pains to snipe at from his seat in the house. I presume he speaks for the government.

With reference to the budget, almost the first words of the Minister of Finance (Mr. Robb) are these:

> Mr. Speaker, seldom have the annual statements from leaders of finance and industry throughout Canada so generally reflected such progress and prosperity as that of the year 1927.

Granting that prosperity does exist, granting for a moment that the minister's statement is absolutely correct, I should like to know what this government had to do with this alleged prosperity. In my opinion, the provincial governments, with their extensive road policies and railroad construction into their mining fields, should be given a large share of the credit for Canada's present position in world finance and industry. Highway construction and maintenance, provincial and county, highways, and colonization road construction, have become almost as important as our railway system. Nothing but an advanced provincial policy in the construction of highways has been responsible for our large and increasing tourist trade, which is now an annual item of over $200,000,000, and is increasing at a rapid rate. But above all, the prosperity of 1927 was due to an almighty and beneficent Providence or Creator who tempered the winds and guided the rains over one of the greatest crops that Canada has ever seen.

Another statement of the Minister of Finance in his budget speech reads:

> We expect to receive from customs duties $153,600,000, an increase of $11,600,000 over the previous year; excise duties $57,000,000, an increase of $8,400,000.

This statement was received with applause by members on the government benches, as well as by their Liberal-Progressive allies. They forgot themselves for a moment. If ever a country owed an eternal debt of gratitude to any party for making it possible for the Finance minister to utter such a statement as that just quoted, this country owes that debt to the Conservative party of Canada; and I say this without trying to detract for a moment from any credit to which the present Minister of National Revenue (Mr. Euler) may be entitled.

In conclusion, Mr. Speaker, I think that the budget is a compromise on the part of the Minister of Finance between what he would like to present to the country and what his Liberal-Progressive allies on his right allowed him to present; and I also believe that the interests of this country will be better served when a party is elected which is free to guide our destinies, unhampered by the fear of offending any particular group of politicians on which it is obliged to lean for support.

[Mr. Embury.]

I have one definite suggestion to offer the government: there should be some economy practised in administration. The government is spending money lavishly, as the estimates will show. The establishment of new and unnecessary embassies, and other gigantic undertakings that are not pressing, seem a trifle out of place for a comparatively new country with a tremendous debt and so few people to pay it. If we build for the future, let us do so in proportion to our ability to meet our obligations. The motto which every government and every nation should have constantly before them is this: In time of prosperity and plenty prepare for adverse contingencies. But in this respect the motto of this government seems to be: "Sufficient unto the day is the evil thereof."

Mr. G. D. MORIN (Bagot) (Translation): Mr. Speaker, allow me, on behalf of the people of Bagot and my own, to convey to you our warmest congratulations, as well as our feelings of deep respect and admiration for the innumerable services rendered, and that you will for a long time to come, we trust, continue to render to our country through your good example and fine qualities as a statesman.

It also gives me pleasure to again pay our respects to our illustrious leader, the right hon. Prime Minister (Mr. Mackenzie King), to his worthy colleague the hon. Minister of Finance (Mr. Robb), and also to all the members of the cabinet, whose names will be handed down to posterity as types of energy, work and application.

I also wish to take the opportunity of conveying our sincere congratulations to the hon. leader of the opposition (Mr. Bennett), chosen, on October 15th last, in the city of Winnipeg, to guide the destinies of the great Conservative party. Let me assure him that if he does us the honour of a visit to our riding, he will be welcomed with as much dignity and courtesy as was his predecessor, the Right Hon. Arthur Meighen, at the time of my first election, that famous partial election in Bagot, in December 1925.

Many speeches were delivered on the budget or rather on thoughts suggested by the budget; I think we have heard about eighty-five of them. On this side of the house we claim that, on the whole, from the Atlantic to the Pacific, it was received as very good news, spreading joy and encouragement; on the other hand our opponents find in it but sorrow and desolation. To justify our joy let us, in the light of facts, briefly compare the budgets of the last five years of the Conservative party's rule, from 1917 to 1922, with the bud-

gets of the last five years of the Liberal party's regime, from 1922 to 1927. If we look in the Statistical Year Book for 1926, we find at page 795, statement 23, that the country's debt which, in 1917, was $879,186,298, had increased, in 1922, to $2,422,135,802, an increase therefore of $1,542,949,504; and that, in 1926, it had decreased to $2,389,731,099; and moreover it had still decreased in 1927, by $38,000,000. According to the same statement, the debt per capita which, in 1916, was $76.55, was increased by our opponents to $270.93, in 1922; the present government brought it down to $251.43, up to 1926. These figures illustrate why our colleagues on the other side of the house do not face squarely the financial issue of the country. It is better and indeed suits their purpose better to make a flank attack, by attributing to the kindness of Divine Providence as well as to the zeal and diligence of a young and enthusiastic nation, the great improvement in our finances. Yet, notwithstanding so obvious a success, our opponents hold this government responsible for all the grief caused by the departure or exodus of our people to the United States. Although they do not say it openly, they endeavour to show that in order to stamp out this evil, we should apply the great remedy, high protection. Let us return to the Statistical Year Book for 1926 and look up page 95, statement No. 4; we find that under the high protection regime, from 1881 to 1891, the rate of increase in the population of this country was 11.76 per cent; while under the Liberal rule, from 1901 to 1911, it was 34.17 per cent; and from 1911 to 1921, under the protectionists, it fell to 21.95 per cent. These figures are sufficient evidence and indicate quite the contrary of what our opponents are trying to show.

Instead of so much pessimism, would it not be better policy to spread hope and encouragement, to say exactly what our country is; an ideal spot for every good Canadian inhabiting it or for any person who may in the future settle here bringing with him the qualifications required to be a good Canadian. While we hear in the house much slander or calumny about our country, let us see what is said of it abroad.

In the Canadian review "Quebec" published in London by Mr. L. J. Lemieux; in quoting figures as to Canada's progress, the London editor expresses himself as follows:

> In 1926, the Dominion of Canada, with a population of about 9,500,000 people, manufactured as much as did the United States, when they had a population of 50,000,000; has as much foreign trade as had the United States when they had 76,000,000 people; mined minerals equal to the total mining output of the United States, when they had a population of 38,000,000; had a favourable trade balance of $400,000,000 (the largest of any nation in the world).

On the other hand the "National Foreign Trade Council" of New York, recently stated: That Canada surpassed every nation in regard to the increase of her trade from 1913 to 1926. The Canadian trade increase was 85 per cent, while that of American trade was but 31 per cent. At the beginning of the year, the League of Nations published a communiqué in which it is shown that the increase of wealth in Canada reached 1,100 per capita, in 1903; $2,406 in 1926; a rate or progress never reached by any nation. "Le Canada" from which this information is taken, continues as follows:

> Should not these statistics published by organizations that are not Canadian, suffice to convince us of our real prosperity.
>
> After such testimonial how could there be some one in Canada to maintain that our country is not on the path leading to prosperity and material welfare.

However, such an intense and rapid development, as well as the increasing number of motor cars in this country and in the United States with its 6,000 miles of international boundary, has created in Canada a new situation which requires more than ever the attention of our public corporations, and particularly the federal and provincial governments.

Speaking on behalf of an electoral riding almost exclusively agricultural, I submit that it is especially to the farming class that we, in this house, should, to-day, more than ever interest ourselves. We must seek the means to make farming a more paying and alluring proposition; we must, by unceasing work, filled with courage and real sympathy, better the lot of the farmer, so that all those who are at present or will become farmers, may be proud of it and happy. The out of date methods must make way, as in all other spheres, to methods more appropriate to the needs of the time. The farmer must really be protected and encouraged by a more active and effective propaganda. Steady and constant work should tend to bring back to our farms the small home industries, to improve house planning, farm management, stock breeding, general farming methods, implements and tools. Is it not evident that to help farmers is to preserve and improve the base on which rests the whole social fabric.

The farmers of my district and those of the whole country, I think, are not and will not be opposed to anything which may improve their conditions. Most of my electors are well off, but they are aware that owing to

the great changes which are taking place certain reforms are needed to ensure to their descendants all the affluence they themselves enjoy. The farming class in my riding seem to be quite satisfied of the present administration; it highly appreciates our rapid recovery from the disastrous war. The same may be said of our industries, specially those of our only town in my riding, the pretty town of Acton Vale. All are aware of the enormous difficulties which represent, for our government, the administration of such a vast country, they however humbly request, in their interest as well as in the general interest of the community, that the adequate remedy be applied.

After the ordeal of the terrible war of 1914, after perhaps other calamities less terrible and disastrous than that one we trust, our country is courageously recovering from its trials and will attain, with the concourse and application of all, its high destiny, that of becoming the most beautiful and happy country in the whole world.

The honours and success of the past being certainly the best guarantee for the future, I therefore intend, sir, to cast my vote in favour of the present administration.

Mr. ROBINSON moved the adjourment of the debate.

Mr. LAPOINTE: I have no objection, provided that this will not interfere with the arrangement to conclude the debate on Tuesday.

Mr. ROBINSON: I thought that was the arrangement between the whips.

Motion agreed to and debate adjourned.

On motion of Mr. Lapointe the house adjourned at 10.02 p.m.

Friday, March 9, 1928

The house met at three o'clock.

RAILWAY ACT AMENDMENT

INVESTIGATION OF SUBSIDIARY OF TELEPHONE OR TELEGRAPH COMPANIES

Mr. G. R. GEARY (South Toronto) moved for leave to introduce Bill No. 63, to amend the Railway Act, (Investigation of subsidiary of telephone or telegraph companies).

Mr. DUNNING: Explain.

Mr. GEARY: When an application comes before the Board of Railway Commissioners to fix the rates of a telephone or telegraph company, either by way of reduction or increase of such rates, the financial condition of the company is a matter of which the board must make itself fully aware, because on the financial condition of the company, its assets and its liabilities, its income and expenditure, is based as a rule the decision of the board as to whether the rates should be increased or reduced. It is suggested that a company such as this may conceal a certain important part of its affairs by the formation of a subsidiary company or the acquiring of another company to which that portion of its affairs may be transferred for treatment.

Under the act there is no jurisdiction in the Board of Railway Commissioners for Canada to investigate the affairs of such a company, that is of a subsidiary or acquired company such as I have described. It is beyond my comprehension why an investigation into the affairs of a company should stop at the point where that company has transferred a part of its affairs to another company which is a subsidiary or controlled company but which in reality is a part of itself. The purpose of this bill is to remove what I submit to the house is an absurdity by giving jurisdiction to the Board of Railway Commissioners to inquire into the affairs of such a subsidiary or controlled company.

Motion agreed to and bill read the first time.

ANGLO-EGYPTIAN TREATY

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to ask the government if Canada has been consulted with regard to the policy of Great Britain in Egypt.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I assume that my hon. friend refers to a treaty which was in the course of negotiation between Great Britain and Egypt?

Mr. WOODSWORTH: Yes.

Mr. MACKENZIE KING: The treaty to which my hon. friend has reference was a treaty being negotiated between His Majesty, as representing Great Britain and Northern Ireland, and Egypt. The Canadian government was kept informed of the progress of the negotiations.

BUSINESS OF THE HOUSE

THE BUDGET DEBATE—FORTY MINUTE RULE

On the orders of the day:

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I wish to speak on what I think is properly a question of privilege. The privileges of the

house are involved, and also the special privileges that some hon. members seek to obtain. Last session we revised the rules limiting speeches to forty minutes and setting eleven o'clock as the hour of adjournment. This was done to shorten debate and expedite the business of the house—a result that we who come from a long distance and have to spend months here are very desirous to obtain. But I doubt very much whether this result will be obtained unless we curb certain practices that seem to me to have grown up during the last few weeks.

While there may be some advantages in the new rules, there are also some disadvantages. It seems to me that the new rules have encouraged the practice—I do not use the term offensively but simply for want of something more apt—of jockeying for position. We all understand why hon. members should wish to get first place on the orders of the day. It is more pleasant to speak to a full house and full galleries than to empty benches. Naturally also the member, if he has a weakness for newspaper publicity, has an opportunity to have his vanity gratified. This, I suppose, is inevitable. The reporters are probably limited to so much space, and their copy, I expect, is prepared early in the evening.

We have now been debating the budget for three weeks. In the early days of the debate it might have been allowable to adjourn early because of lack of preparation on the part of hon. members. But at this late stage there is no reason why any member should not be prepared to speak at the time assigned him by the whips. Last Monday I began to speak at ten o'clock. On Tuesday the hon. member for Hants-Kings (Mr. Ilsley) began to speak at ten o'clock. One day last week the hon. member for Battle River (Mr. Spencer) began his speech so late in the evening that he had to complete it next day. But last night, as on some former occasions, the debate was adjourned at ten o'clock. The hon. Minister of Justice (Mr. Lapointe), who was leading the house, said he had no objections if it did not interfere with the arrangement to conclude the debate next Tuesday. But the government is not the only one affected; the privileges of hon. members are interfered with. Possibly the early adjournment last night may debar some hon. member from taking part in the debate.

I realize, Mr. Speaker, that there would be some difficulty in having a hard and fast rule that you could apply with the same impartiality as the forty-minute rule; but I would suggest to the house the impropriety of any member at this late stage of the debate asking for an adjournment at ten o'clock. Could there not be a gentleman's agreement under which any member would be willing to take a sporting chance of what comes to him in the matter of time? I know it has been the custom to allow the adjournment to go to the different parties and groups in rotation, but that custom could still be observed without needlessly prolonging the time of debate or interfering with the privileges of any hon. member.

Mr. J. C. BRADY (Skeena): Mr. Speaker, I wish to draw the attention of the house to a very difficult situation that affects many of our members under the forty-minute rule. The other evening when I was speaking I sat down at the end of thirty minutes, believing that I had exhausted the time allotted to me. Of course, I had to depend upon my colleagues to let me know when my forty minutes had expired. Now, in order to facilitate the business of the house and enable hon. members to know how their time is passing, I would suggest that on the table there should be an electric button within easy reach of the Clerk by which he could indicate the passage of the forty minutes by switching on near the clocks a green light and a red light at fifteen and thirty-minute periods respectively. Then an hon. member would know when to begin his peroration. An electrician could set up such a device in a short time. It is very difficult for hon. members to keep an accurate check on the hon. gentleman who may have the floor. For instance, yesterday I timed the hon. member for South Wellington (Mr. Guthrie) and other hon. members, and found my timing did not agree with that kept by other members.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, might I say that this shows the utter absurdity of the rule.

Mr. SPEAKER: Of course, this is a matter for the house to decide. Personally I would not object to the green and red lights —I know the meaning of the two colours. But I should like the arrangement to be automatic so that I might depend on the clock and not on my own judgment, well remembering the words of Pope:

> 'Tis with our judgments as our watches, none
> Go just alike, yet each believes his own.

I should like every hon. member to rely on the clocks when I have to say time!" Of course, it is understood that the clocks are under the jurisdiction of the Minister of Public Works (Mr. Elliott).

THE CARILLON

CONCERTS DURING THE SESSION

On the orders of the day:

Mr. F. P. QUINN (Halifax): Mr. Speaker, in view of the fact that while parliament is in session this is the only opportunity members have of hearing the carillon, and also in view of the fact that a great number of visitors come to the capital during the session, may I ask the Prime Minister if he will take into consideration the advisability of having the carillonneur give concerts at a stated time each day? I would suggest between 2.30 and 3 p.m. Many members are fond of music, I am particularly; I love to hear the tintinnabulation of the bells.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think the suggestion of my hon. friend has much to commend it. Here again the Minister of Public Works is concerned, for he has control of the carillon. I will have a word with him and see if it cannot be arranged, if not every day, at least on certain days, to have concerts given by the carillonneur at hours which will be convenient to hon. members and the public.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Thursday, March 8, consideration of the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. S. C. ROBINSON (West Essex): Mr. Speaker, at the outset allow me to assure you that I shall not consume my full forty minutes. This debate has now been in progress for three weeks, and there is very little left for private members to say at this late stage. Therefore I shall confine myself in what I have to say to the important constituency of West Essex, which comprises the city of Windsor, the towns of Sandwich and Ojibway, and the townships of Sandwich East and Sandwich West; a constituency which is attracting the attention of the whole Dominion at the present time owing to the extensive developments now going on there.

But before I deal with my subject I should like to make a couple of references to the speech delivered last evening by the hon. member for Sherbrooke (Mr. Howard). I want to remind him that charity begins at home; and when he suggests that there should be a further cut in the price of automobiles of from 15 to 20 per cent, a reduction such as the industry could not possibly stand, it seems to me that it would be more apropos if the hon. gentleman would advise that the industries he controls in Sherbrooke, which have a protection of from 30 to 35 per cent, should suffer a similar reduction.

The hon. gentleman said that no suggestion had come from the opposition as to giving employment to the unemployed. Apparently he has not followed the debate, but as I proceed I will suggest to him where all the unemployed in Canada might be taken care of if certain policies were carried out. This unemployment problem is in my opinion the most serious we have to deal with in this country, if for no other reason than the importance of keeping our Canadians at home. A situation has prevailed in Windsor during the past two years which is new to us in the way of unemployment. There are several reasons for this. I am informed that when people from the British Isles are on the steamships crossing the Atlantic and do not know exactly where they are going to settle when they come to this country, officers, or passengers as the case may be, advise them, "Oh, go to the border cities; you will get a job there at from $4 to $5 a day". Unfortunately this has not been the case since the reduction in the automobile tariff. Further, we have another situation there for the relief of which I think we should have some assistance from the government. I refer to deportations from the United States of Canadian citizens most of whom are of foreign birth, and who entered that country illegally: when they are deported back to Canada they are dumped into Windsor and in most cases become a charge on the city. The result is that the charity funds of the municipal council of Windsor are growing by leaps and bounds to take care of these unemployed.

According to the chamber of commerce returns regarding employment in the border cities, in September, 1926, 74 firms out of 114 gave a return of 11,337 men employed. In September, 1927, the number was 8,661, showing a decrease of 2,676. I want to be fair about this, and I will say that conditions are better chiefly on account of the Ford Motor Company having started. In November, 1926, the employment figure was 11,349 and in November, 1927, 10,304, still a decrease of 1,045. In December, 1926, the figure was 11,034 and in December, 1927, 10,171, or a decrease of 863.

Referring to the question of unemployment, I wish to read certain remarks made by the Minister of Labour (Mr. Heenan) in Winnipeg. I quote the following from the Montreal Gazette:

Unemployment Problem

Heenan Gets Suggestions from Manitoba Officials

Winnipeg, February 25.—The problem of unemployment is the most gigantic task the Canadian government has to face, and the co-operation of municipal, provincial and private bodies would be necessary before it could be solved, stated Hon. Peter Heenan, federal Minister of Labor at a meeting to-day attended by members of the legislature, provincial officials, aldermen of the city and board of trade members.

Mr. Heenan promised to take the various suggestions back to Ottawa and place them before the departments involved.

I could suggest many other ways of finding employment for thousands more in the border cities, but we are faced with so many difficulties in connection with the continual tinkering with the tariff, and reductions which are made from year to year, that industry does not know where it stands. Let me give to the house a concrete illustration. In the border cities we have a drop forging plant whose expenditure on plant and machinery is some $1,500,000, and they are in competition with similar plants in the United States. Let us suppose that General Motors in the United States have from seventy to eighty different plants; they take their overhead in connection with all these plants at, say, 25 per cent, dividing it proportionately among them. The overhead in drop forging plants is higher than in any other line of industry owing to the high cost of drop forging machinery, dies, tools, et cetera. The proportion should be 75 per cent. This concern to which I have reference put in their tender for an export business in Canada on which they would get a drawback of 99 per cent. I might mention, by the way, that the drop forging plants in Canada have to import their machinery, steel, dies, tools, oil, coal, et cetera. The Canadian concern underbid the American competitors by 7½ per cent and the Americans immediately determined to meet the price and so they got the order. To my mind there should be something in the customs regulations whereby Canadian industry might be protected against such unfair competition. I submit that an expert should go into the drop forging plants in the United States to ascertain their cost of manufacturing, comparing it with the cost in the Canadian plants, taking the respective invoices. I am sure that in most cases the Canadian plant could not manufacture at the same price.

A good deal has been said about emigration from Canada. I want to give the figures from the American consular office at Windsor for the years 1926 and 1927. I have them here month by month but I will not burden the house with them. For the first six months in 1926 vises were issued to 2,357 Canadian born citizens who desired to reside permanently in the United States. In the first six months of 1927 the number was 2,090, a difference of 267. The figures for the last six months of 1927 show an entirely different state of things. For the last six months of 1926, 2,189 Canadian citizens took out vises to live in the United States whereas in the last six months of 1927 there were 4,070 or 1,881 more than in the corresponding six months of 1926.

My remedy for unemployment—and this is my answer to the hon. member for Sherbrooke (Mr. Howard)—is that if the government would cease tinkering with the tariff on agricultural machinery and automobiles, and let us manufacture our raw materials into the finished product they could find employment for 100,000 more in this country. We are continually increasing our importations of manufactured goods which should be produced in this country, and to offset that the government policy is to increase our foreign trade. We all know that the best market for the farmer and the Canadian manufacturer is our home market; we should look after that market first and develop the foreign market afterwards.

There is one other thing to which I would like to direct the attention of the Minister of Finance; I refer to old age pensions. If the government would increase the allowance under the old age pension scheme I am sure it would help the municipalities throughout the country which are at present maintaining houses of refuge and similar institutions. It would also be of great assistance to the Salvation Army and other charitable organizations, because a good many of these old people would come under the old age pension scheme and the municipalities would not have to shoulder the whole burden.

There is another suggestion I have to offer, which would benefit the border cities throughout Canada, and perhaps particularly those in Ontario. Since we have obtained a sane liquor law in Ontario many Americans who desire to enjoy greater freedom, and especially those who are British born, would like to live on the Canadian side of the border, and of course we would like to have them here. My suggestion is that if an

American citizen wishes to live in Canada, a man whose business is entirely in the United States and whose entire revenue is derived in that country, he should be allowed to bring his automobile into this country in bond. Many people who would like to come to Canada seem to find that the great stumbling block; they have to pay duty on their automobiles while their household goods are brought in free, and in many cases their automobiles are used chiefly in their business. This arrangement would be reciprocal, to a certain extent.

A great deal has been said about the automobile industry, and in that conection I would like to draw to the attention of the Minister of Finance the fact that in 1927 our importations of automobiles and parts were valued at $65,497,721. In 1926 these importations were valued at $54,305,111, which shows an increase of $11,192,611 in one year. On the floor of this house two years ago the minister stated that his policy would force automobile manufacturers doing business in Canada to establish plants here, but that has not been the case. The largest single items in the importation of automobiles were Hudson and Essex cars, the production of which does not involve one day of Canadian labour. Also in this connection it is worthy of note that the change in the tariff on automobiles has practically eliminated the Canadian manufacturer of trucks and busses from the markets of the Canadian west. The Gotfredson corporation, which up to that time doubled its business every year, now finds it very difficult to carry on. Some associates of mine, together with myself, put $35,000 into the stock of that company, which sold at $25 a share; today you cannot sell the stock. It is listed on the Toronto Stock Exchange at $8 bid and $9 asked, and there are no transactions taking place in it. I am told that in the maritime provinces and in British Columbia the United States manufacturers of trucks and buses will drive their cars a thousand or two thousand miles over muddy roads to the border; then in some cases will have a truck tow them to some customs house, and have a valuator value them as second-hand trucks or buses. In this way they will only pay duty on about one-third of the value of the car, so the Canadian manufacturers cannot compete against them. I believe that defect has been remedied to some extent, but as yet the business has not come back to the Canadian manufacturers.

Another very important item is the farm tractor, which was put on the free list as a war measure to increase production on the farms. In 1924 we imported 5,236 tractors with a total value of $3,651,502; in 1925 we imported 2,200 having a total value of $1,410,554, while in 1926 we imported 6,895 tractors, valued at $5,153,120. I have secured the figures for 1927 from the Bureau of Statistics; in that year 15,651 tractors worth $1,400 each were imported, the total value being $12,091,910. In addition to that 231 farm tractor engines were imported in 1927, and these were valued at $491,728. Surely, even if nothing else can be done, this material should be allowed into Canada free to be machined and assembled in this country, which would provide employment for a large number of workers. The Ford Motor Company, at Walkerville bought a fifty acre plot of land for the construction of a building and equipment to manufacture Ford tractors, but since tractors have been placed on the free list this company cannot compete with the parent concern in Detroit, so the matter was allowed to drop. I have no doubt, however, that if a duty were placed on tractors, as certainly should be done, the Ford company would proceed to manufacture tractors in Canada and perhaps other companies would start up in addition.

Now I would like to say just a word with regard to the tobacco industry. We held meetings in Chatham and Windsor as well as throughout the entire southwestern part of Ontario at which we had the honour of the presence of the Minister of Agriculture (Mr. Motherwell) and his deputy. These gentlemen visited that district twice, and we came to parliament expecting some result. What has happened? They have not said a word with refrence to the position of that industry to-day. Apparently the government will not take advice or suggestions coming from this side of the house, but I think it is the duty of those members representing that part of Ontario to say something on behalf of that industry. Everyone expected a reasonable reduction of the excise duty on cigarettes, which would reduce the smuggling of these articles and would greatly help the tobacco industry, but they were disappointed. There is no doubt that this should be done and also that the excise tax on cigars should be reduced. We should also raise our duty against raw leaf tobacco to the level of the United States tariff against us. It seems a shame when we consider that we import some 17,000,000 pounds of tobacco from the United States which could be very well supplied by our own farmers.

Now I would like to read a couple of extracts to show what the people of the United States think of a high protective tariff, and

what they consider it has done for the manufacturer and farmer of that country. President Coolidge speaking before the Union League of Philadelphia on November 17, 1927, regarding the benefits derived from the tariff by all classes in the United States, made the following statements:

Without the influence of a protective tariff, it would never have been possible for our country to reach its present stage of diversified development with its liberal rate of wages, its unprecedented distribution of wealth, and its high standards of living. If these conditions are to be maintained, that policy will have to be continued. In some few lines we can compete with all the world, but in general our agriculture and our industry, are compelled to make a larger outlay to provide their establishment, pay a very much higher rate of wages, and therefore find their costs of production are greater than in foreign countries.

Any material reduction in our general tariff rates would ultimately result in a drastic deflation of agricultural and industrial values, in the rate of wages, and in the standards of living. Under our present system our foreign commerce has reached the highest peace-time record and our national income has steadily increased to the enormous proportion of $90,000,000,000, for the last calendar year. This represents a volume of production and trade far in excess of that which any other country ever reached. It is the zenith of our prosperity. All of this should be considered in any appraisal of the worth of our long-established policy.

While we have placed the enterprise of the country unreservedly in private hands, we have adopted a system of government regulation and denounced by law restraints of trade and unfair practices in trade, in order that the public might have the full benefits of all fair competition and the opportunities of our commerce be equally free to all. Privilege has no place in either our political or economic system.

I quote further from the newspaper called the South Dakota Chief, published in Iroquois, which is a farming community, to the following effect:

What Protection Has done

Here is a voice from the west (The Voice of the Iroquois, S.D., Chief) raised in championship of the present tariff law:

As a matter of fact, things have turned out just as the protectionists predicted. Wages have gone up because the workers have been protected from cheap European competition. And the great assured home market has permitted the manufacturers so to increase their production and reduce manufacturing costs that the cost of living has not increased. We have therefore at this time what would seem to the theoretical economist an impossible condition—an increase in wages and a reduction in the cost of living. The theorist told us that it couldn't be done, but the theorists as a rule are free traders, internationalists and whatnot. They fail to give due weight to the American idea of standardized production.

Before closing, Mr. Speaker, I want to give a few facts regarding the Canadian Steel Corporation in Ojibway in my riding, as it has been mentioned two or three times in this house. I can assure you that I know whereof I speak because I had the honour to succeed the late Hon. W. C. Kennedy in the council of Ojibway. When the United States Steel Corporation located at Ojibway, in Essex county, and formed the Canadian Steel Corporation, it was their intention to manufacture chiefly iron and steel products, which at that time were not being produced in Canada. After expending some nine or ten million dollars, work was stopped in 1922 owing to the fact that the present government were pledged to carry out their platform of 1919, and the subsequent tinkering with the tariff in the iron and steel industry confirmed their judgment of 1922. The corporation is at the present time removing its wire mill from Hamilton to Ojibway, the only development which has taken place in recent years, to the detriment of the former city. This factory will employ from one hundred to two hundred men when working at full capacity. I can say, without fear of contradiction, that if the tariff on iron and steel is stabilized and the industry receives the protection to which it is entitled against unfair competition the Canadian Steel Corporation is only too anxious to go ahead with its project which will involve the expenditure of millions of dollars and the employment of many thousand men. My opponent in the last election stated that if the Liberals were returned to power they would force the Canadian Steel Corporation to go ahead and produce. And to use his own words they would have to "play ball or get off the diamond." This attitude influenced a large number of votes in the locality of the steel corporation. I should like to ask the government whether it is its intention to carry out that promise and if so when? I will give the government credit for carrying out the Liberal candidate's promise in the by-election of 1923 in North Essex. Mr. Healey promised at that time that if he was elected the government would construct a breakwater at Belle River. After his election the government promptly carried out the work at a cost to the people of Canada of $30,000.

There has been a good deal of publicity lately in connection with the subject of a new post office at Windsor, and I sincerely hope the government intends to go on with that work. The present post office was erected, I think, in 1879 or 1880 when Windsor was a town of 5,000 population. Now it is a city of over 65,000 and yet our postal facilities are the same as they were forty-seven years ago. Those facilities are really

a disgrace when you consider the importance of Windsor and its proximity to a large city like Detroit. There are thousands of people who come over from Detroit and send mail from the Windsor post office. Sometimes the people are crowded there like sardines in a box. The office does not possess even the necessary facilities for the writing of postcards. If I can do anything to bring about an improvement in the conditions I shall be most happy to do so. I am in accord with my colleague and friend from East Essex (Mr. Odette) who stated, I believe the present site can be sold for a price that will pay for the construction of a new post office.

There is just one more subject I wish to refer to and then I shall be through. That is the removal of the duty on coal in the interests of the salt industry. We all know that most of the salt used in Canada comes from Essex county, from the Canadian Salt Company's works, but I do not think that company ever begged the government to take the duty off coal. What they wanted was a duty to keep foreign salt out of Canada and to preserve the salt market for Canadian manufacturers.

Mr. E. C. ST-PERE (Hochelaga) (Translation): Mr. Speaker, I read somewhere that the Right Hon. Lloyd George, in the course of a lecture given in an English university, advised those who destined themselves to politics, to first begin by being good listeners. Since the outset of this debate on the budget, I endeavoured to listen well, I tried to note all the arguments which were put forth, both for and against the budget proposals. As it would take me too much time to discuss them fully and do them justice, I shall content myself with the time allotted by the new rules of the house, to review as briefly as possible the contentions of the various speakers who followed one another during the course of this debate.

I shall abstain myself from adding further compliments to the torrent of congratulations with which the hon. Minister of Finance (Mr. Robb) has been overwhelmed.

I shall only say that he simply did his duty towards our country, and that is for him the greatest satisfaction.

As every business man does, it is well to consider what have been our revenues and our expenditures during the course of the last fiscal year. I must say, together with all those who have impartially considered the state of our finances up to date, that the sound administration of the Minister of Finance has given us what all business men first expect: a surplus of revenues over expenditures. Our finances are therefore in a very sound condition.

With regard to the budget proposals, the general approval of the country amply proves that it has given satisfaction to everybody. No doubt there will be found—and that is so to speak the continual enforcing of the old proverb which says the fortunes of one make the misfortunes of another—there will be found critics who, notwithstanding the general approval, will always find fault simply for political purposes.

The wiping out of the sales tax, whatever may be said against it, has given satisfaction to the business people of this country; and as recently as last week, a great financier of Montreal told me that the gradual reduction carried out by the hon. Minister of Finance, would certainly prevent a great number of dealers suffering very appreciable losses in the sale of their goods.

The income tax was a measure imposed owing to uncontrollable events, and a great number who are at present victims are not responsible for it. I do not wish to go back and discuss war events, I never have recourse to such arguments in the course of my political campaigns, yet during the great war, I have seen in my riding some of those large manufacturers, of those so called patriots of that period, who now so loudly call for the entire wiping out of the income tax, trying to shelter themselves by paying their employees, from the president down to the humblest secretary, large bonuses, and thus avoid paying the government the necessary amounts for the upkeep of the country.

The hon. member for Sherbrooke (Mr. Howard) was telling us yesterday that the owners of large fortunes should especially be called upon to pay. I fully agree with him I even would go one step further. May I ask the hon. Minister of Finance to take good note of the remark I am now making. Young people, in my native province, are advised to practise economy, parsimony is recommended to them so as to shelter them when rainy days come. Now, I state that the limit of exemption from taxation under the income tax, should be higher than $4,000. And this is why: in our province and especially in the workmen's quarters of Montreal—I say it to their praise—the small property is held by workmen, it belongs to people who have saved, who have denied themselves all the luxuries that simple life can afford to the humblest citizen of this country, and from this taxable $4,000, the person taxed on said amount must economize for the future. He must pay from

that amount the insurance policy in prevision of rainy days, which amount he deducts so as to provide for his family in case of misfortunes. He must foresee many things. He must especially set aside savings to meet the taxes for local improvements in cities. Perhaps, you will say that these taxes for local improvements which you state he must pay each year, are deducted from his annual budget. I deny this, because in the city of Montreal, as elsewhere, local improvement taxes are payable sometimes only three or four years after the work is completed. Take the amount of $160 per year which small property owners are called upon to pay, calculate that amount for ten years ahead with compound interests, and I ask you if truly the Dominion government by taxing that little income does not by this fact give a premium to carelessness and work to unroot among us the spirit of economy which is a trait of the French Canadian people.

I now come to the remittance of the income tax to large corporations. I have never been, sir, an extremist. I consider that the large corporations should not be treated as outcasts, but to infer from this that we must, at each claim they put forth, bow our heads for political purposes and grant their claims, I say no. Quite recently, a delegation composed of the municipal authorities of Montreal and a great number of representatives of our public corporations came up to Ottawa to interview the hon. Minister of Finance. I must state that, at first, I appeared to approve the request of the Montreal Light, Heat and Power Company, but as soon as I learned the details of their operations, I changed entirely my opinion. It matters little whether it is the Montreal Light, Heat and Power Company or any other corporation which come to us to obtain a reduction in taxes, I clearly state and without restriction that I am opposed to such reduction. And why this great company known as the Montreal Light, Heat and Power Company, that large corporation distributor of power, which producing but little power—buying it as it does from various corporations and then selling it at a profit to the consumers of the city of Montreal—why this company, I say, should not pay taxes like the others. I am at a loss to say. This large industry does not limit its operation simply to the distribution of electricity, but it sells moreover a great number of house commodities, etc. It sells coal—and I shall deal squarely with it on this matter—I admit that the coke which it sells obliges in some way our population by allowing it to purchase fuel at lower prices than American anthracite. But basing ourselves on such a principle, why should we not exempt from the income tax the small merchants of Montreal who sell electric stoves, toasters, beside all the coal dealers who supply the population with the fuel needed for heating purposes?

Mr. Speaker, the hon. Minister of Finance deserves our congratulations for having taught that delegation, which came up here sometime ago, a lesson that, no doubt, made it understand that the Minister of Finance for Canada was well posted on the operations of this company, and on no account would he change his opinion that those who should pay taxes to the country—there is an economic principle involved—are those who are most capable of doing so.

One word on the tariff question. I am no more an extremist as regards the tariff than I am on other matters. I do not consider the tariff as a doctrine, but as a policy which adapts itself to circumstances. And since I am free to state it from my seat in the House of Commons, there is an industry in my riding—one making cotton goods—an industry which notwithstanding the tariff reduction of 7½% will not lose any of its profits. It is an industry very highly protected. I am speaking of the Dominion Textile Co. This year, that company made very large profits, and as from time to time it makes changes in its mills, I trust that it will not take advantage of such a circumstance to tell its employees—and, sir, its employees are for the most part people of my race—"This lowering of the tariff will bring about a decrease in your wages". When these workers threaten to strike, the company sends to the counties of the lower St. Lawrence, a new kind of recruiters who use to entice to the county of Hochelaga poorly paid workmen. It is often said that corporations have no soul. I admit it, but I ask of those who profit—I shall not say of government money—but I ask of those who profit from a protective tariff, which is a guarantee against the invasion of American cotton goods, and I shall even say against the English cotton goods, to show that they are human and pay their employees wages, which will allow them to exist and not wages which, on an average—these are statistics taken from the department of Labour—amount for each of these workers to the pitiful sum of six hundred and a few dollars per year. Our opponents, whom I take the freedom of always calling friends, like to state a little everywhere that protection, which should be adopted, would stem the tide of emigration towards the United States. I would advise them to consult the leaders of the labour unions, and ask them if they

agree with the assertions which the Conservatives advocate at present and which they always advocate, assertions which made the subject of their electoral campaign.

Strictly speaking, I represent the largest riding of workmen in Canada, and I am still wondering if some day I would receive a protest of that kind from my electors. I state that protection never safeguarded the interests of the workmen. No, protection never protected the workman. If the workman, to-day, receives protection, he owes it to the excellent organisation of the workers' unions, he owes it to his spirit of work, to his initiative, to the constant improvement in the machinery which he uses in his work and which facilitates mass production.

Our opponents further tell us that the United States are an Eden for those who emigrate there. I shall not quote to them a page of ancient history; I shall not even tell them that their arguments are refuted by statistics of a year old; let me, sir, quote from an article published on March 4 last, in the Sunday edition of the World of New York, and signed by Charles Stelzle, organiser and past superintendent of the Temple of work of New York. I shall give the English text, so that our opponents will not charge me with misrepresenting the facts and still less the text. I kindly ask my hon. colleagues of the English language to listen to it. The text reads as follows:

Based upon reports received from the Welfare Council of New York City, the President of the State Federation of Labour, the President of the Central Trades and Labour Council of New York City, the Commissioner of the Department of Licenses of New York City, the Superintendent of the Municipal Lodging House, and various welfare agencies, as well as from figures produced by the Department of Labour itself, it was demonstrated that there is "an extensive amount of unemployment, and serious distress has been caused on this account."

That there is a considerable amount of unemployment in New York City is reported by practically every agency of a social, industrial and philanthropic character. An increase in the number and the length of breadlines, the crowding of the Municipal Lodging House, the growing number of respectable-looking beggars on the streets, the great excess of situations wanted over help wanted advertisements in the daily newspapers, particularly as compared with those of recent years, the filling up of the poorer class of lodging houses, the increase in the amount of relief given by social agencies to families suffering because of the unemployment of bread-winners, the unusual amount of credit being asked for in neighborhood stores are a few of the signs which point to an increase in unemployment.

Serious Distress Caused by Situation

We are told by the Urban League, which looks after the Negro population of the city, that while in January, 1927, it had 365 applicants for every 100 jobs, in January, 1928, there were 1,175 applicants for every 100 jobs. The Y.M.C.A. and the Vocational Service for Juniors report much the same kind of a situation. Commercial employment agencies placing office and clerical help report a 100 per cent increase in the number of applicants for jobs; and the agencies for hotel and restaurant workers say that there is a stream of applicants, with no jobs available. This lack of employment is found not only among the unskilled, but in many of the skilled trades. The Amalgamated Clothing Workers, with a membership of 45,000, reports 15,000 out of work.

As is the case during every winter, large numbers of men have come to New York from rural districts and labour camps with the expectation of finding jobs. A considerable number have come from the coal fields of Pennsylvania and Ohio because of the strikes in these regions, and from New England towns where the textile industry has for so long a time been demoralized.

No One Prepares For the Cycles

In spite of the fact that unemployment comes regularly in cycles—from seven to ten years apart—scarcely anybody seems ever to get ready for its recurrence. We have conferences of the same "experts", but by the time that their program has been formulated the necessity for putting it into operation has gone by. Even the cause of unemployment seems to remain a mystery. At any rate there is a greatly diversified opinion as to what is responsible for it. Some authorities believe that it is a purely psychological situation; the Socialists charge it up to the competitive system; the politicians out of office attribute it to the Administration that is in power; at various times Wall Street has been held responsible; for a good many years it was charged up to our excess immigrant population.

Mr. Speaker, here and there, we hear that we must see that a great flood of immigrants flows into the country so as to bring back prosperity among us. I do not believe in intensive immigration. Such immigration lends itself greatly to unemployment, and as I am first a Canadian, I would ask that the immigrants—it is of little import where they come from, whether it is from England or elsewhere—who come to us disguised as farm-hands and who for the most part conceal able mechanics, must not come here—and this I have the proof every day in my riding—ready to replace at a moments notice our able mechanics, Irish, French Canadians and English, who are in this country.

Mr. CASGRAIN (Translation): Hear, hear.

Mr. ST-PERE (Translation): We have established everywhere in our various provinces technical schools; we encourage young people to follow the courses given there, and on the first occasion—I may say that sometimes partiality and unfairness has something to do with it—one of our electors or a friend that we consider and his employer considers as an able mechanic, finds himself replaced

[Mr. St. Péré.]

without notice by a mechanic who hails from Leeds or elsewhere. Canada for Canadians, always! That is why I am opposed to an intensive immigration; the cries of those who tell us here and there that Canada must be peopled by English-speaking subjects, is of little import; Canada is sufficiently vast to welcome individuals of every language and nationality. Canada will increase its population, the west will increase its population when the synods from Kingston, etc., will cease their cries that people fear French Canadian immigration in the west, when certain Canadians ill-advised, who are far from advocating national unity, will cease to try and root out, as they would do a plague, the French Canadian element from the population of certain provinces.

Mr. Speaker, I am opposed to an intensive immigration. It is quite right that we should bring in farm-help. On that score, I congratulate the Canadian National Railways for its spirit of initiative in bringing, for the farmers of Quebec, farm help speaking the language of the majority of people in that province. I also wish to congratulate certain other organizations for their efforts to increase the population of our country by bringing in desirable settlers.

The hon. member for St. Antoine (Mr. Bell) whom I might designate a sower of fear—they shot those people during the war —was saying the other day that he often met on the streets of Montreal people who asked for charity. I grew up in Montreal, I know my city better than the member for St. Antoine and I want to tell him, unfortunately for the argument which he seems to bring in support of his contention, that the only people we meet and who beg a ten cent piece for a nights' shelter or five cents for food—what is called a plate of beans— are immigrants; because those among us who are in want have no need to have recourse to begging; our splendid philanthropic societies amply suffice for their needs.

One further word on emigration. Why so much bewail over the emigration of our people. The French Canadian loves, from time to time, to change his abode. If our people had not emigrated from Quebec to other provinces, and especially to the western provinces, I am wondering if the people of the west would have large cities like they have to-day. If there had not been a Lacombe to help the Canadian Pacific in laying its steel ribbon across the western provinces, I wonder what they would have done. A kind member,—a harmless chap hailing from British Columbia—told us—and I wish to refute this error—that he also deplored the emigration of the people from Quebec to the United States. Well! that province of Quebec how one likes it each time it is required to point to it to prop up a poor argument. It is said: The people of the province of Quebec emigrate to the United States, and once there, forget their religion. Another political falsehood, another trick of politics. It is of little import that they emigrate to the United States or elsewhere, the first thought of a French Canadian is to have a home near his church, and the institutions of the French Canadians in New England and everywhere amply prove that they do neither lose their faith nor language, notwithstanding their emigration to foreign lands.

Before resuming my seat, allow me, sir, to make a few remarks with regard to our farmers. At election time, one comes to them, one endeavours to tell them that their conditions are pitiable. But under whose rule have our farmers emigrated to the United States, if it is not under that of the Conservatives? Let me put the question to the Conservatives of to-day: what have your predecessors done to stem this emigration? Nothing. Whatever was done for the farmers, to improve their lot, was done under the Liberal governments. Recently, our farmers came up to Ottawa, as a delegation, to ask the Minister of Finance, when he brings down his supplementary estimates to kindly include an item so as to meet the request presented by the association of breeders of the province of Quebec. The province of Quebec and the French Canadian members of this house are not here to beg for sympathy. We listened attentively and we generously made grants to the people of the Maritime provinces when they put forth their claims. And I tell the people of the west again that we did the same thing for them. Quebec only claims its due. Mr. Speaker, I am sorry to say so, in many parts of my province, prosperous villages are entirely deprived of railway communication; Gaspé, Bonaventure, Yamaska, and I shall even add Joliette, my native place—need railways to help in their development. I would ask the hon. Minister of Railways (Mr. Dunning), to kindly accede to our just claims. During many years people from Quebec were asked to go and settle the New Ontario and the Canadian west. There are certain districts in the west where our people settled and—I am proud to say—they are considered as farmers very much attached to their lands and hard workers. These farmers are deprived, after years of hard labour, of communication which would help them to give their families appreciable ease. I trust that the Minister of Railways will listen and grant them their just claims.

Mr. Speaker, there is another question—and I broach it with all the necessary reserve—it is the St. Lawrence waterway scheme. The government has not come to a decision in regard to this matter. Opinions in Montreal are divided on this question, and as the hon. member for Sherbrooke (Mr. Howard), stated last night, if by chance we decided to build that St. Lawrence waterway, I would ask—for that part extending along the shores of Quebec and which would supply power to many of our industries and electric light to our population—that the rights of developing these powers rest with the government, it is of little import whether it be federal or provincial. The consumers of Ottawa pay a minimum rate for lighting purposes while those of Montreal are being imposed upon.

I want to point out to this house that the statements made recently by a senator in no way pledges the members from Montreal. Let us not so quickly be led to believe that this St. Lawrence waterway scheme will join the waters of the Pactole to those of the St. Lawrence. Let us await events before coming to a definite conclusion on the subject. I shall close my remarks. From what I have heard up to now, Mr. Speaker, the party which sits to your left is a party of negation. It denies the general satisfaction of the people of Canada; that party denies the prosperity of our country; lastly it denies the worth of all competent persons who have given the government a certificate of honesty and good administration. It is the party of negation. I gladly rally to the party which is open to evidence, which is aware that Canada is not a perfect nation, but that all is susceptible of being perfected; I rally to that party which believes in not letting the light under the bushel but rather wants to have it enlighten the more, those to whom the people confided, since 1921, the care of guiding the national destinies of this country.

Mr. A. D. McRAE (Vancouver North): Mr. Speaker, I feel impelled to take up the time of the house this afternoon because so little of a constructive nature has been brought forward by the hon. Minister of Immigration and Colonization (Mr. Forke) either this year or last dealing with the very serious question of population, that I fear the country at large and even some of the hon. members might reasonably conclude that this, the greatest issue before parliament, cannot be successfully solved.

My good friend, the Minister of Immigration, in the committee on agriculture yesterday expressed his great disappointment that we on this side of the house had not put forward definite proposals for him to consider. His sincere expression indicates to me his despair,—after two years, of getting any real suggestions from his own associates. His appeal has not fallen on deaf ears.

In response to his request, I propose this afternoon to disregard all political strategy and run the risk of criticism in submitting for the consideration of the hon. minister and this house a program which I believe will restore our immigration to the favourable figures we enjoyed in the years immediately preceding the war.

The limited time at my disposal—forty minutes—permits me to submit only a general or skeleton outline of the development which I think the government should undertake I will be prepared, however, as opportunity offers to support the practicability of my proposals.

Hon members treat our population problem as a dual one—immigration and emigration. As a matter of fact, we have only one problem. Give us satisfactory immigration and we will have no emigration to worry about. In 1913, when 400,000 immigrants entered Canada, 139 000 of them came from the United States. That year only 14,165 of our people went to that country. We gained 125,000 on them in 1913. We will do it again when we get a real immigration movement under way.

In order that they may enjoy a higher status in life, over 185,000 Canadian boys and girls attended high school last year; 65,000 students were registered in our universities and colleges. Our universities are not turning out farmers. Higher education is taking our boys and girls off the farms. If they cannot find useful employment in the business structure of their own country they can always go to the United States. There—thanks to the sterling qualities they inherit from their forefathers—they receive a preference over others and are welcomed as new citizens in every city from New York to San Francisco.

I will confine my remarks to-day to the development of our unoccupied lands—our greatest natural resource. A steadily increasing agricultural population will demand and support a growing national business structure. More people on farms necessitates a corresponding increase in our cities and towns resulting in a demand for more business and professional men and women—more employment for labour of all kinds. Only in this way can our young people find the opportunities they must have if they are to remain in Canada.

Let us be practical in these matters. We must have some one to do the basic work of the country if the boy or girl of this or future generations who graduates from our educational institutions is to find congenial employment at home.

I entirely agree with the policy of confining our immigration efforts to prospective farmers and domestic servants. It is my humble opinion that we should not encourage the immigration of men or women only qualified for city life. The drift to the cities, which is one of the things we will have to contend with, will supply our city population for many years to come. In common with the United States our problem of the future will be to keep our people on the farms.

Our immigration records clearly show that we must provide employment for our incoming immigrants to assist them to get on their feet. From 1881 to 1885, when we were getting very satisfactory immigration for those days, the Canadian Pacific was under construction. Hon. members will recall that when we enjoyed our greatest prolonged period of successful immigration, from 1903 to 1913, we were carrying on a tremendous program of railway construction in this country. The National Transcontinental and the then Canadian Northern were built from coast to coast.

There is no big construction program before the country at this time. Something must be attempted if we are to take care of a large immigration. The question is what development program can we undertake which will be safe, sound, and ultimately pay the interest on the capital invested—which will not add unduly to the present burden of taxation and will at the same time afford the necessary grub-stake for our incoming settlers.

I suggest that the only program available is the development of the land on which we propose to put these new settlers, and the work which will inevitably follow such as the building of branch railways, roads, schools, villages, and the many other capital expenditures which accompany the march of settlement.

I propose that the government inaugurate on a large scale a program which will bring about the settlement of the more or less scrub and lightly timbered land which we have in such abundance in our three prairie provinces —land with wonderful, almost inexhaustible soil, and easily reached by branch railways. In provinces like Manitoba, large areas easily drained might also be included. A most conservative estimate of this character of land easily available would be 10,000,000 acres capable of supporting 65,000 families, or roughly a quarter of a million farm population. This does not, of course, include Peace River. Here there is a minimum of 30,000,000 acres, even more fertile and more easily cleared that awaits development. The Peace River can and eventually will accommodate 175,000 families or nearly three-quarters of a million farm population greater than the entire population of the province of Alberta to-day. When considering these huge figures in connection with farm settlement we must add at least one-third more for the city, town, and village population which such development will necessitate and support.

I am sure that hon. members have in mind that we should first attempt to settle the 10,000,000 acres of vacant lands adjacent to our existing railways, and with this I agree. I will deal with it later. For the moment, suffice to say that these lands when settled will add an additional 250,000 to our farming population and will mean much to the towns and villages on the existing railway lines where all modern conveniences now exist and where no new towns are necessary.

Summing up my proposal, hon. gentlemen will see that it contemplates the ultimate settlement of 50,000,000 acres of land by some 250,000 to 300,000 farmers. These, with their families, and the urban population which will be required, and the consequent developments which will follow will add 2,000,000 new people to the prairie provinces. I propose we start out to double the present population of the west. Do this and the rest of Canada will grow and prosper.

The title to the scrub lands I have referred to rests in the crown. This affords an opportunity to again advertise free homesteads. There is no inducement which compares with this: "One-hundred-and-sixty-acre farm free."

I suggest that these lands be given as homesteads to new settlers, free from all taxes for the first five years and subject only to the cost of clearing and the building of modest farm buildings.

I propose that only 80 acres, the easiest half of each homestead, be cleared leaving the balance to supply the needs of the farmer for building and for fuel. This he can clear himself later as opportunity offers. He will, however, to begin with, have 80 acres under plough, sufficient to support himself and family.

As to the cost of clearing, I have made careful enquiry into this question. It is no longer practical to clear land in the old fashioned way. The grub hoe must give way to the heavy steam breaking plough which walks through ordinary brush and scrub like so much

stubble. The operation while necessarily under government direction would be more or less a co-operative clearing scheme.

Using modern methods, confining the clearing to the easiest half of each homestead, avoiding any heavily timbered areas and prorating the expense over the district I estimate the cost on the whole would not exceed, at the most, $12.50 an acre, that is, $1,000 must be expended for clearing on each homestead. In addition, the expenditure required for the modest farm buildings—generally a log house and barn—would approximate $500 making the total of $1,500 per homestead.

I would have the government make this charge against the land. It would amount to an advance of less than $20 an acre on the cleared land, with the balance of the homestead thrown in. The average value of cultivated land in the western provinces is about $25 an acre. I leave it to the hon. members of this house to say whether the government can make this expenditure taking a first lien on the farm, with safety.

As to repayment, I suggest the adoption of a plan resembling the Irish Land Act—capitalizing the $1,500 at four and one-half per cent for the first five years, giving the settler six years to get on his feet before he is called upon to pay either interest or capital. Beginning at the end of the sixth year, the indebtedness might be spread over thirty annual instalments including interest at 4½ per cent. At the end of these payments the settler would have his title clear. I am sure it will surprise hon. members to learn the small amount of money the settler would be required to pay. Beginning at the sixth year, a payment of $114.75 per annum will give him his farm clear at the end of the period and give the country back the money advanced with interest at four and a half per cent. That is no burden for any worthy man. The government loans its credit but runs no risk. The security is always ample.

Well and energetically administered, it should be possible to complete the program I am suggesting in ten years. On this basis, I estimate that the government would be called upon to finance about $30,000,000 a year on the average, or a total of $300,000,000. Not very much of this money would be repaid in the interval; nothing at all for the first five years. The country can well afford to borrow for such a development issuing special land bonds or debentures for such time as will make it possible for repayments from the settlers, to take care of the same.

I was interested in the statement made by the hon. member for Vegreville (Mr. Luchkovich), a few evenings ago that "there was too much paternalism in our colonization work." I entirely agree with him. Many of us who have been raised in log houses take little stock in the idea that a new settler must have a frame house and a bath tub before he can set to work.

Since the war, many people seem to think that a new settler must start off with modern equipment, frame buildings and a developed farm. To do so without capital is to load him down with a mortgage which breaks his back. The successful settlement of the west was accomplished largely by men who started with a sod house.

It may appear to some hon. members that further temporary assistance would have to be provided. Conditions have not changed in western Canada so far as making a success on the farm is concerned. The new settler, while he is getting his homestead under way, must be given an opportunity to work. The adjacent harvest fields afford him two or three months' work at good wages each year, and this together with the employment he would be certain to obtain in the clearing operations which would be going on in proximity to his homestead, would tide him over. Continuous clearing, preceding settlement, the building of schools, roads, and similar public improvements, if done in a systematic way and with a view to helping the newcomer and not some contractor, will supply the additional grubstake which may be necessary for the settler while he is getting on his feet.

There is an old saying that: "God helps the man who helps himself." That is the policy for the government to follow. I am in favour of supplying the new setttler with work—not with money.

Let me say now that in all our development schemes we must extend to our own Canadian men the same privileges and advantages we offer to the newcomer. We must not fail to treat our young men as good as we do the foreigner. It would be a decided advantage to have Canadians intermingled in these communities.

I have no doubt that my proposal for the settlement of 50,000,000 acres of land in ten years with actual farmers looks like a herculean task. And so it is. Carried to its conclusion, it means 25,000,000 acres made ready for crop and eventually it would double the 40,000,000 acres under crop in the three prairie provinces last year.

But I would assure hon. members that the executive or administrative ability demanded by my scheme would not be as great as that

of the United States Steel Corporation with over a quarter of a million employees, who with their families total over one million population; or the General Motors with its 150,000 employees. Nor does it require the brains of a Henry Ford who built up a personal business employing over 150,000 men.

In all big industrial concerns, there is ever present the serious question of financing the business. No such worry attaches to the administrator of a huge colonization scheme. Parliament provides the money. That is a great difference.

Mr. CAHILL: Who pays it?

Mr. McRAE: When Canadians manage the world's greatest transportation system, the Canadian Pacific Railway; when we own and successfully operate the Canadian National Railways, with the largest mileage of any railway in the world; when we have in this country huge, successful, industrial enterprises in many lines of business, need any hon. member fear that we have no man in Canada big enough to give effect to the program for national development which I have outlined?

An hon. MEMBER: May I ask the hon. gentleman a question?

Mr. McRAE: No; I have been listening for two years to you fellows and I want you to listen to me for forty minutes.

I might point out to the government, however, that Providence cannot do this job for them. The success of such a large proposal is entirely a question of management, organization and administration. Worked out on a unit basis, this plan can soon be built up to locate 25,000 or 35,000 families a year.

It should be borne in mind, however, that once a good immigration movement gets under way it rolls up like a snowball. People will come along on their own and make their own arrangements. In a big movement probably not over 50 per cent of the immigrants would have to be provided for under the project I am suggesting. The others, attracted by the development and consequent prosperity, will locate themselves throughout the Dominion. If we handle 200,000 people a year under this government colonization program a total immigration may be anticipated of easily twice that number or equal to the maximum immigration the country ever enjoyed.

The settlement of the unoccupied lands adjacent to our railways is quite a different matter from the settlement of the crown lands with which I have been dealing. The title to the land adjacent to railway has passed from the crown to private ownership. With a big colonization movement under way the best of these lands being near railways would be taken by incoming farmers with money. However, most of the acreage is the residue after years of settlement, and some other method must be adopted if they are to be colonized within a reasonable time.

The co-operation of the provinces is essential to settle these lands. It would be unwise to adopt any scheme by which the government would purchase them from the present owners. The practical method of colonizing them is under the crop payment plan, which gives the new settler a chance to pay for the farm out of the crop.

Two things are essential, first that the price be reasonable and that the settler have a few years to get considerable acreage under crop before being called upon to divide with the owner. Three years might be a reasonable time to grant him.

The provinces can do much to popularize the crop payment plan by passing legislation which will protect the owner of the land and relieve him from the necessity of sitting on the job when threshing time comes around. Absentee landowners cannot do this. A system of government supervision might be inaugurated in this connection.

In the second place as an inducement to encourage the owner to list his land for sale at a reasonable price, the province might well offer to waive the unoccupied land tax for those who listed their land for sale at an agreed price on the crop payment plan.

The province should work out some arrangement with the municipalities whereby these new settlers would be relieved of all taxes on their land for the first five years, thus putting them on a par with the homesteader. The prospect of being relieved from having to pay taxes on his land would also go a long way to make the scheme popular with the owners. This is a small price for the province to pay for a solution of its unoccupied land problem.

A well devised crop payment plan worked out in co-operation with the province is the only logical way of settling these lands by newcomers who have their wealth in brawn and muscle and not in cash.

New settlers need help and guidance when settling in their new home. The practical and inexpensive method, the one which proved so successful in the western United States a decade ago, is the organization of community clubs. The government should encourage these local associations by an allowance based on the number of new settlers located in their

area. The compensation should be sufficient to enable the community club to maintain a paid secretary where the number of new settlers arriving justifies it. The community club can look after the needs of new settlers in their district very much better and cheaper than government inspectors. Experience has shown that these clubs develop into real colonization agencies. Enthused by the work, their members soon become active in soliciting immigration from their old homes. Something like this is necessary now that there are no longer large land companies at work keeping up interest in the community. The government might well make use of the enthusiastic residents of the towns and villages throughout the west along this line.

Mr. FORKE: We do so now.

Mr. McRAE: I am surprised that the hon. the Minister of Immigration and Colonization—a very successful farmer himself—has not seen fit to make use of the outstanding successful farmers throughout the west as colonization agents, instead of the impractical brigade he now has on the pay roll. I say "impractical" for if my information is correct, many of his men have never lived on a farm, and others have never seen the district they are trying to settle. Compare their efforts with that of a successful practical farmer, sent back to his old home to solicit immigrants among his former neighbours, asking them to come and locate in his district. Many men in the towns and villages throughout the west are qualified to make equally competent colonization agents.

Picture these men as colonizers, with definite information of the available land in their community, the people, climate and conveniences, and what is even more important, a thorough understanding of the psychology of their old neighbours. Their word would be accepted, and well it might be. There would be no misrepresentation as frequently happens in colonization work. Hon. members will appreciate there is no comparison between the effectiveness of these practical men and the immigration agent from the city who either writes from his office or at most makes only an occasional trip into the country.

This is not a new idea. We employed it in the land business in western Canada years ago. It worked then. It will work now. The present chief land commissioner of the Canadian National Railways was this kind of a farmer colonizer when he was taken off the ranch twenty-five years ago.

It should be possible to send several hundred of these colonizers to Europe and the United States every fall. Most western men have little to do in the winter. They would welcome an opportunity to visit their old homes. The cost would be small compared with the results—probably $1,500 each. Returning in the spring with their new settlers they would not only actually locate them on the land they had arranged for in advance but would continue a fatherly interest in them.

Here we have the real selection of immigrants. What chance has a ne'r-do-well to get over with this practically colonizer who knows his "no-good" friend would be sitting on his door step as soon as he got to Canada? This method of selecting immigrants is particularly applicable to those countries in Europe which do not welcome or permit our government to maintain an immigration office—countries we are now leaving largely to transportation companies. I have discussed this matter with Canadians, formerly Scandinavians, who assure me that they can go back to their old homes and bring out on an average twenty-five men, many of them with families, to settle on farms in the west.

It should not be difficult to get at least 300 of these colonizers at work every winter. Costing $1,500 apiece, it would require to finance them, less than half a million annually. These men should get at least 10,000 farmers a year including families, a total of probably 25,000 added to our population.

Hon. members should bear in mind that we now maintain all the staff that is necessary to instruct, supervise and direct these new colonization agents and to look after transportation for this increased immigration. Our principal trouble to-day is that we lack real practical men possessing the knowledge which is so necessary to get satisfactory results. Successful colonization is now an individual matter and must be conducted on that basis.

Referring to the question of provincial and federal co-operation in immigration matters, I suggest, Mr. Speaker, it is high time that our efforts in London were co-ordinated. Federal and provincial colonization officers acting on their own, competing with each other, do not make for the best results. Neither does it always place the new settler in that part of Canada where he is most likely to succeed. Not a few of our immigrants fail because they have been misplaced in this far-flung Dominion.

It has always appeared to me that our High Commissioner in London should take a much more active part, and in fact should be the overseas head of our immigration and all other overseas work. Provincial immigration agencies, if necessary or advisable, should be

housed in the same building as our federal immigration office. The High Commissioner should see that all our immigration work is harmonized and that Canadians are not unduly competing with each other.

One of the great problems in our immigration is practically disregarded. I refer to our unbalanced population—the excess of men over women—a situation which is rapidly growing worse. Immigration since the war has brought to us 170,000 more males than females. In the three prairie provinces in 1921 there was 185,000 more men than women. To-day it exceeds 200,000.

Anyone who travels through our prairie provinces; sees the desolate looking bachelor shacks by the hundreds from Winnipeg to the mountains, if he notes the adjacent more prosperous-looking homes of the farmer with a family, will realize what this unbalanced population is costing the country. On the farm one married settler is worth to the community as much as three or four bachelors—and I disclaim any intention to depreciate the honourable bachelors in this House. It is much more important to-day to bring a hundred thousand women to the prairie provinces than it is to bring in 100,000 men. Of course, it is more difficult. Nevertheless, a real effort must be made to get more women immigration.

So far no satisfactory scheme has been devised to meet this situation. A few domestic servants are brought in but not in numbers worth talking about. I suggest to the minister that he work out a real comprehensive plan and so far as humanly possible balance our immigration. He need have no fear of overdoing it.

The local colonizers I have suggested can bring back as many women as men and easily place them in their community. This, however, will only balance their effort and not help out on the 200,000 discrepancy which now exists.

I suggest to the Minister of Immigration and Colonization that he might with adequate financial assistance induce the Daughters of the Empire to take up this great work. They have chapters in almost every hamlet throughout Canada. What nobler effort could they be engaged in than transplanting throughout the Dominion, ten per cent of the two million surplus of their sex, now languishing in the British Isles. The necessity of this migration should particularly appeal to those who fear for the maintenance of British supremacy in the west. Give us British mothers and we need have no worry about the loyalty of our future generations.

Ever since the war we have discussed the problem of Imperial migration. So far little indeed has been accomplished. The London Morning Post, a very conservative English paper states the case well. They say "Very little is done, and that the situation is a standing reproach and perpetual danger to the Dominion of Canada."

They express the willingness of Great Britain to take her share in schemes for Imperial migration but that the main responsibility for doing the greatest possible service to Canada, and to the empire, is upon us, and that matters cannot rest where they are without serious consequences. Quoting from the editorial, they say:—

> An adequate scheme of settlement would involve considerable sums of money. But it is perfectly possible to solve these and other formidable difficulties when once the Dominions resolve to make it a part of their national policy to develop their resources with men of the British race.

Migration was doubtless the subject of much discussion at the last Imperial conference. Perhaps the Prime Minister will tell us why in this respect the conference has been so barren of results.

It should be possible to work out an adequate Imperial colonization scheme, when we have millions of acres of good land we want settled, and Great Britain has available both men and money.

I suggest to the government that no place in the British Empire affords a better opportunity for a big successful British migration than the Peace River country.

I want hon. members of this house, particularly from the east, to get an idea of the magnitude and the desirability of that great empire. In length it is about the distance from Windsor to Montreal with an average width of a hundred miles. In fertility and productiveness the soil is unequalled in any similar sized area in North America. The summer climate over a period of twenty years, is identical with Edmonton. The long summer days in the Peace River make it a safer crop country than much of the province of Saskatchewan already under cultivation. As for its winter, suffice to say that the hon. the Minister of Interior (Mr. Stewart) will, unless settlers interfere, soon be the largest rancher in the world. His buffalo, which roam the park-like country north of Fort Vermilion, have increased to eight thousand and I am informed had a natural increase last year of twenty-five per cent. There need be no fear of the winters in a country where buffalo and their calves can thrive throughout the year.

I fear, Mr. Speaker, that many hon. members do not appreciate the proximity of this country to the sea, which accounts for its climate. With good direct railway service, the heart of this district would be little over a calendar day's ride from the city of Vancouver. The Peace River country has been unfortunate in that two provinces undertook to provide it with transportation facilities. Neither of them completed their program and the country has been allowed to stagnate.

Railway facilities for this vast empire should be undertaken with a view to its ultimate development. Do not let us make the mistake we have made so often in the past, of building only with a view to the very near future. Peace River wants a trunk line to the sea—not a branch line outlet. We should broaden our vision. With a million people, the Peace River country will require not a single track to tide water but a double track railway to carry the product of its farms to market. Supported by proper development, the railway enterprises of both western provinces are worthy of completion.

I suggest to the government that in co-operation with the Imperial government and the provinces of Alberta and British Columbia the Peace River be developed as a great Imperial settlement.

Alberta and British Columbia together could furnish the land required for homesteads, thirty million acres. The Dominion government could finance the cost of clearing the land and erecting the necessary buildings on the basis I already proposed. Great Britain as its part in the undertaking should finance the temporary requirements of the settlers, which it does now in part.

It would be a reasonable proposal for all partners in this British migration scheme to work out, on some equitable basis, a joint guarantee of the interest for a period of twenty years of the bonds which our national railways would have to issue to enable them to take over and carry to completion the railway program of both Alberta and British Columbia including the branch lines which would be later required as settlement progressed. This would relieve the national railways from any danger of a deficit on account of this railway construction for a generation to come.

I share with my friend the hon. member for Vancouver-Burrard (Mr. Clark) his great confidence in the British race, and his belief that they can and will make good farmers. I believe, however, that the preliminary training of these Britishers should be done at home so that the misfits would be largely eliminated there. To this end the British government might see fit to transfer some of their dole funds as bonuses to induce farmers to train these prospective migrators.

Under an arrangement of this kind, almost a million men now on the farms in the British Isles could be made available for Canada. The lure of free homesteads, in a country British to the core, would attract them in large numbers.

It is not easy to establish a settlement of this magnitude, but this is the day of big undertakings. Many difficulties will arise, but the two great races who share this great Dominion have in the past solved problems much more formidable. Peace River, with all its advantages, supplied with proper railway facilities, affords us our best opportunity for development. Have we the courage to undertake it? Where are our nation builders—the worthy successors of the Macdonalds, the Cartiers, and the Lauriers of yesterday?

An article appearing in the Financial Post as of March 2nd, indicates the probable immigration program of the government for the next few years. Hon. members will see that the "Three thousand family scheme," is to be given a new dress and is to be known as the "Pioneer land settlement scheme." What hope would there be in this revamped plan with a government that has failed to complete the movement of only three thousand families in three years under the present scheme? How long is it going to take them at this rate to bring in 20,000 families as proposed? To appreciate the feebleness of this new effort it is only necessary to note that although the British wanted to send us five hundred families this year the Canadian government was unable to take care of them, and their movement is posponed until 1929. Let us be done with camouflage and makeshift. I appeal to the government to bring in an immigration program in keeping with the needs of the country.

The countries from which we will accept immigration have been dealt with very fully by hon. members during this debate. I want to say, however, that I believe it is the inherent right of every nation to decide its own racial status. I believe it is our bounden duty to posterity and to the fathers of confederation to see that, in the melting pot from which our future Canadians will be moulded, the blood of no race is allowed to enter which might undermine or weaken the blood passed down from our forefathers. Canadians must maintain the high standard they now enjoy. Ours is the right to choose; ours is the right to barr, and we should not hesitate.

In his speech earlier in the session, the Prime Minister expressed a fear that if we prohibited Japanese immigration we might interfere with the development of our trade in the far east.

Mr. Speaker, I am supposed to be a business man, interested in trade, particularly in the orient, but I have not yet reached the stage—and I hope I never will—where I am prepared, in the interest of trade or commerce, no matter how important, to jeopardize the racial status of the Canadian people. I want to see all undesirable races absolutely barred, let the price be what it may.

Mr. M. C. SENN (Haldimand): Mr. Speaker, I am sure the house must have been very strongly impressed with the constructive speech which has just been delivered by my colleague the hon. member for Vancouver North (Mr. McRae). He speaks on the subject of immigration with some authority, because I understand that for a considerable length of time prior to the war he was actively engaged in the settlement of western lands, and in particular the settlement of the Saskatchewan valley. While thus employed the hon. gentleman conducted what was perhaps the most successful land movement that has ever occurred in the west. The Minister of Immigration and Colonization (Mr. Forke) having during his two years of office failed to evolve any progressive policy, I would commend to his favourable consideration the suggestions which have been offered by my colleague, as coming from a gentleman who is eminently qualified to speak on this matter and to speak with authority.

It would be difficult at this stage of the debate to mention any phase of the tariff proposals which has not been discussed from some angle or other. Any contribution to this discussion, therefore, must necessarily be a repetition of arguments, and of facts and figures, which have already been advanced by my colleagues on this side of the house. The remarks which I have to make, consequently, will necessarily be very brief, and I can assure you, sir, that so far as I am concerned there will be no need to invoke the forty-minute rule.

Everyone I am sure must admire the clear and concise manner in which the Minister of Finance (Mr. Robb) always delivers his budget address. Unfortunately however, his budget proposals and his method of accounting are not so worthy of commendation. If I were to try to describe those proposals I would say that they were haphazard changes made in the tariff, without any consideration as to the results upon the industries affected, and not in pursuance of any governmental policy other than that of reconciling differences of opinion and quieting dissatisfaction in the Liberal ranks.

The record of succeeding budgets which have been brought down by this administration is one of constant and irritating changes in the tariff. The worst result of these changes which are constantly being made, is the lack of confidence which is evident in business circles throughout the country. Just the other day I was talking to a gentleman who is at the head of one of the large textile industries in Canada. After conversing with him for a while he told me he thought that by careful management and some changes in their methods of operation they would be able to carry on even under the handicap which has been placed on them by the present tariff changes; but there was a real note of anxiety in his voice as he told me two or three times during the conversation that he hoped these changes would be final. If there is one thing which is needed more than anything else in business circles and in industry throughout the country it is a feeling of security, but this cannot possibly be maintained unless we have permanence and stability in our tariff schedules. No business man can lay his plans for the future with any hope of sucess if he has no guarantee that his business is not likely to be disturbed and his plans thwarted by such tariff changes as have constantly taken place under this administration.

I should like to mention for a moment a fact which is so often referred to by hon. members on this side, that the Finance minister did not take into account the guarantees which have been given to the Canadian national railways when he was reckoning our national debt. The Minister of Railways (Mr. Dunning), if I am not mistaken, when speaking the other day, argued that because the government had never been called upon to pay any of the interest charges on these guarantees they should not be included in the debt. However the preliminary report of the Canadian National Railways which was tabled recently showed very clearly that the funded debt of the system had increased this year by something like $55,000,000, while the net revenues of the company were only sufficient to pay the interest charges on the bonds held by the public. On the other hand the interest on the million and a quarter dollars which has been advanced by the government in times past to the Canadian National Railways is still being added to the obligations of the system. So long as the road is not a paying proposition it is going to be very difficult for the Finance minister, or any other member

of the government, to make the public believe that these guarantees should not be included in our national debt. They know well that if these obligations were included the debt would be very much greater than the Minister of Finance has indicated, and would be many millions more than it was when this government assumed office.

It has been very amusing to me, Mr. Speaker, to listen to hon. gentlemen opposite constantly repeating the statement that the country is prosperous. Listening to this constant repetition of the word "prosperity" one would be inclined to think that the Liberal members had become disciples of that famous man Doctor Coue, who always told his patients that they should repeat over and over the old formula, "Every day in every way I am getting better and better". Hon. gentlemen opposite may think they will lead the people to believe that Canada is prosperous, but I doubt it very much. Nevertheless by this constant repetition they may be able to induce some of their own number to believe the statement. Even a casual reading of speeches which have been delivered on the other side of the house would lead one to believe that those hon. members are not quite as confident in that respect as they would endeavour to lead the house and the country to believe.

I should like to mention very briefly one or two of the speeches which have been delivered. The hon. member who moved the address in reply to the speech from the throne (Mr. Ilsley) congratulated the government upon what he chose to call the abounding prosperity in the country, but before he had proceeded very far with his remarks he made it clear that, at least in the section of the country from which he came, prosperity was not nearly so much in evidence as some would have us believe. Again the hon. member for South Huron (Mr. McMillan) congratulated the government on the prosperous condition of Canada and in the next breath told the house that he represented a rural riding and that agriculture in that particular riding and district was not at all prosperous.

The hon. member for Southeast Grey (Miss Macphail) the other day made an excellent address in the house, but I am afraid she somewhat lessened the effect of that address by her statement that members of the Conservative opposition were a party of snobs or words to that effect. I have been in this house for some years and I am sure that the hon. member who spoke in that way has always been treated by members on this side with every courtesy, with all the courtesy which has been due to her as an hon. member. Indeed it is possible she has received a greater amount of deference than the average member on account of the fact that she is the only lady member of the house. I think therefore that her remark was not very well advised, and if she had time to think it over she would never have made it. During the course of her remarks she mentioned the fact that the hon. member for South Huron had stated that the rural districts are not in a prosperous condition and she agreed with him. I find myself this afternoon, for once at least, in agreement with those two hon. members. I cannot however agree with the remedy proposed by the hon. member for South Huron for the unsatisfactory condition of agriculture in Canada. His remedy, as I understood it, was to have freer trade relations. The constituency which I have the honour to represent lies in close proximity to one of the largest manufacturing centres in this Dominion and much of the produce of the farms in that community is taken to that city and consumed there. In the constituency which I represent we have four large creameries and one of them of which I have been a patron for quite a number of years disburses annually to its patrons, the farmers of that locality, something like a million dollars in cream cheques. The bulk of the produce of that creamery is taken to that city and other cities in the vicinity where it is sold and consumed. Not only the produce of those factories but other produce of the farms is taken to those cities where it is consumed—butter, milk, cream, eggs, poultry, apples and other fruits of all kinds, potatoes and other vegetables; and considerable quantities of the meat products which are produced on the farm are taken to that city and others for consumption.

The value of the home market cannot be over-estimated. It is the greatest asset which the farmers, particularly of the province from which I come, possess to-day. Lower duties such as were suggested by the hon. member for South Huron would inevitably mean injury to industry and consequent unemployment and a lower wage scale. That lower wage scale in the end would mean considerably less in the way of buying power on the part of the people who purchase our commodities. There is no doubt that at the present time marketing is one of the most serious problems which confront the Canadian farmer. That is proven very clearly by the fact that co-operative organizations are springing up all over the country for marketing home products, and perhaps the best example which we have of that in Canada to-day is the western wheat pool. I for one

am glad indeed that the western wheat pool has proved a success, but the very success of that enterprise forms perhaps a real danger to it and to other enterprises of a similar nature. It has been the history of co-operation throughout Canada that up to a certain point in their operations organizations of this kind have always been successful; but after they have attained some measure of success their directors possibly think they have reached the point where they can branch out and undertake other lines of operations which very often lead to disaster. We have in Ontario a form of co-operation which has been successful for many years. I refer to our farmers' mutual fire insurance companies. I believe the reason for their success has been chiefly that they have been under strict government supervision and inspection and that their powers have been clearly defined by law. I would suggest to my hon. friends from the west, who are interested in the wheat pool and other similar organizations, and to the government as well, that the time must come in the near future when the operations and powers of these organizations must be defined by statute and their books must be subject to government supervision and inspection. That would add very much to the security which they would have and people who are interested in those organizations would, as a result, have greater confidence in them.

I want just for a moment to mention something that has been so often repeated in this house that it may seem like foolishness to refer to it. In connection with the problem of marketing agricultural products we have had a real case where marketing has been interfered with by freer trade relations. I refer to the Australian treaty and the preferences which have been extended to New Zealand whereby butter is coming into this country at a nominal duty of one cent per pound, where originally the duty was considerably higher. The duty on butter coming into Canada to-day is lower than similar duties in any of the other British dominions. For years prior to the ratification of this treaty the surplus of butter exports from Canada was constantly increasing; but in the three short years which have passed by since this treaty came into effect the surplus of exports has been on the decline until to-day we find there is a surplus of imports, and the change in the past three years has been approximately 35,000,000 pounds of butter. These figures have been enlarged upon at considerable length by hon. members who have already spoken and therefore I do not intend to go any further into the matter. The great danger to the industry in my judgment is not that butter is coming into Canada from these other sister dominions but that the price of butter in this country to-day is controlled by cables which are coming from those particular countries. It really makes very little difference to us whether butter is coming into the country or not so long as our farmers have to sell their butter at prices which are being quoted to Canadian dealers by cables from Australia and New Zealand. It is a common axiom of the dairy industry that producers should receive at least ten cents a pound more in the winter months than in the summer months for their butter. It is known of course that production costs are much higher in the winter than in the summer, and it is manifestly unfair to ask our farmers to compete with farmers in New Zealand and Australia who are producing butter under summer conditions the year round. So far as this treaty is concerned, I am afraid that the farmers of Canada will not agree with the member for South Huron in his contention that we should have freer trade relations to benefit agriculture.

But, Mr. Speaker, the tariff schedules as brought down in the budget proposals in regard to the woollen industry are calculated to injure another branch of agriculture, namely, the sheep industry. The placing of yarns on the free list will mean a consequent loss to the wool growers of the Dominion. It is only during the past few years that the wool growers of Canada have been able to realize a reasonable price for wool, and this is only because the sheep industry has declined to such an extent that Canadian wool is at a premium. It is estimated that the people of Canada use about eighty million pounds of wool annually. This is calculated on a grease basis, or as the wool comes from the back of the sheep. Of this, about half is used by the woollen and knitting mills of Canada, and the remainder is imported in the form of yarn, manufactured goods, or goods that are further advanced than yarn. This means that there is a demand at the present time in Canada for approximately forty million pounds of wool, of which there is produced in Canada less than eighteen million pounds. Unfortunately, as a result of the changes proposed in the budget, many more pounds of yarn are likely to be imported, which will mean a consequent diminishing of the needs of our woollen mills in the matter of raw wool, so that the present proposal to admit certain yarns free of duty will be a real detriment to the sheep industry of Canada. This is particularly unfortunate in face of the fact that the Ontario government is taking special steps and spending

money to build up the sheep industry in Ontario and induce farmers to keep more and better sheep.

Anyone who is conversant with the woollen industry will admit that the mills in Canada are just as up to date and as well equipped as those of any other country in the world. Last year while the house was in session the woollen manufacturers' association placed an exhibit of goods produced in Canada in the Chateau Laurier. Many hon. members took advantage of the opportunity to examine these goods, and I am sure that everyone was firmly convinced that the products of our Canadian mills stand second to none in the matter of quality. Yet we find that because of the cheap production costs and low price of labour in the British Isles and in France, there are lines in which our woollen mills are unable to compete with Great Britain and France because of our higher standards of living and the higher wage scale. Our wage scale is dependent very largely upon the price of labour in the country to the south of us. From time to time many of our best woollen operators have been induced to go to the United States because the mills in that country are able and willing to pay the price.

During the past year the woollen manufacturers' association made certain representations to the tariff board. In his annual address the president of the woollen manufacturers' association stated that briefs had been presented to the tariff board, showing that of woollen and worsted cloth there is a market in Canada for about $40,000,000 worth each year, and that only one third of this market is now being supplied by Canadian mills, the remaining two-thirds of the market being supplied by workers in mills in other countries. Another brief showed that of white blankets of a total of $906,000, the Canadian production was approximately $275,000 as compared with $631,000 imported—33 per cent produced in our own Canadian mills, and 67 per cent imported. Socks and stockings of wool show a total consumption in Canada of $5,396,000, the production in Canada amounting to approximately $2,800,000, while the imports amounted to approximately $2,600,000—55 per cent produced in our own Canadian mills, and 45 per cent imported. Of yarn, of a total Canadian consumption of $6,400,000, the production in Canada amounted to $2,860,000, while the imports amounted to $3,545,000—45 per cent produced in our own Canadian mills and 55 per cent imported. In regard to knitted outerwear, while it was impossible to arrive at the exact figures owing to the way in which import and production statistics were prepared, it was clear that the importations of certain classes of knitted outerwear were very heavy indeed.

There is no reason to suppose that our mills could not produce practically all of these goods which are required to meet the needs of the Canadian people, and this in turn would not only give employment to many hundreds more of our people in mills which are now either entirely or partly idle, but would also be a boon to the sheep industry.

The British manufacturer is pretty well satisfied with the tariff changes which have been proposed in regard to the woollen industry. I have before me a periodical published by the woollen industry of Great Britain, called the Weekly Wool Chart and Private Business Report, of the week of February 23, 1928, published in Bradford, England. It contains on editorial on the tariff reductions which have been brought down by the Minister of Finance which I should like to quote. It says:

> A revision of tariffs is embodied in the new Canadian budget. Greater protection has been obtained for the Canadian manufacturing industry, not by increasing the duties on fully-manufactured goods, but by reducing the duties on yarns and grey goods. Imports of yarns for weaving from the United Kingdom (formerly charged 10 per cent) will be admitted free. Dress goods, and so forth, in the grey will be admitted at 10 per cent (against 15 per cent), which automatically increases the preference from 7½ to 12½ per cent. Dyed goods continue to pay as before, except that dyed cloths weighing under 5 ounces per square yard (lustres, linings, and so forth), are to pay 5 per cent less than the present rate (24¾ per cent), the reduction also applying to France. It will be remembered that last year the Canadian manufacturers applied for increased protection, and Mr. J. H. C. Hodgson and Mr. George H. Wood went out from Bradford to give evidence before the tariff board against the application. The educational work which they did has evidently been of good service.

That is how the British manufacturer views the changes that are being made in our tariff. The British manufacturer knows as well as we do that these changes mean an increased preference for British goods in the markets of Canada, with a consequent diminishing of the sale of our own goods.

There are several changes made in the present budget which will work out very harmfully to the woollen industry, one or two of which I would like to mention. The placing of yarns for weaving, on the free list will without doubt have the effect of very seriously injuring the spinning industry in Canada. Many mills which are to-day spinning their own yarns will have to purchase the cheaper yarns coming from the British Isles if they are to compete in our markets with foreign made goods. But there is another

danger which is perhaps not quite so apparent and which the minister cannot have taken into consideration. It is that there are certain mills in the country which are both weaving and knitting. These yarns are supposedly admitted free of duty to be used for weaving alone and great care should be exercised to see that they are not used in the knitting business in competition with other mills which are spinning their own yarns for knitting purposes. Might I suggest to the minister that if he insists upon having worsted yarns for knitting coming into the country free of duty, his intention should be carried out by means of a 99 per cent drawback when it has been clearly demonstrated that these yarns have been used for weaving purposes alone.

Another tariff item which will work a great deal of harm to certain industries in the country is the placing of a duty of 15 per cent on mercerized cotton yarns coming from the Uinted States, where formerly these yarns came in free. This will be of no advantage to either the Canadian or the British manufacturer of mercerized cotton yarns. Under this item imports must still be made from the United States because even with the additional 15 per cent duty, these yarns can be imported from the United States more cheaply than they could from the British Isles.

As an example, may I furnish a quotation on what is known as double forties of C. P. mercerized cotton yarns landed from England, duty free and quoted at 89½ cents per pound, while the same goods from the United States, after paying the 15 per cent duty, are quoted at 76 cents per pound. I am told that the larger concerns using this material will be compelled to pay anywhere from ten to twenty thousand dollars a year extra for their material, and that there will be no benefit derived by any Canadian industry.

These are some instances in which the woollen trade will be adversely affected in Canada and there are others which I hope to bring to the minister's attention when the tariff resolutions are before the committee. The placing of machinery for these factories on the free list is viewed as a farce by the companies, many of which have a large amount of machinery already standing idle.

Taking into account these few features of the present budget which I have endeavoured to present to the house, I am fully in accord with the amendment to the budget as moved by the hon. member for St. Lawrence-St. George (Mr. Cahan). I cannot believe that the budget will improve the unemployment situation in Canada or relieve the position in which agriculture finds itself, and I therefore intend to support the amendment and to vote against the budget.

Mr. L. P. BANCROFT (Selkirk): Mr. Speaker, I had not intended to take part in this debate until I heard on Monday last the speech of the hon. member for North Simcoe (Mr. Boys). In that excellent speech he dealt with the binder twine industry, but from one angle only, and because of that I feel called upon to present what might be termed the other side of the case.

He asserted that the removal of the duty on binder twine in 1898 had ruined this industry. He intimated that more binder twine had been imported each year than had been consumed in Canada. He said that, of nineteen companies manufacturing binder twine in 1908, only two are manufacturing binder twine at the present time and that the Brantford Cordage Company was being forced out of business because of imports of binder twine from Holland and Germany. It might be well at this stage to look into the history of the binder twine business in Canada. Previous to 1895 binder twine carried a tariff of 12½ per cent, in 1895 this was reduced to 10 per cent; in the budget of 1897 the tariff was wiped out entirely, becoming effective January 1, 1898. In 1893 a wealthy American from New York city came to Canada and decided that the protection, 12½ per cent, was sufficient to warrant the formation of a twine and cordage combine. There were eight twine factories in operation in Canada at that time. They were merged into one corporation and six of them were closed. This all happened under 12½ per cent protection.

Mr. CASGRAIN: And the Tories were in power.

Mr. BANCROFT: Yes. The combine immediately increased the price of twine about 50 per cent. Shortly after this the federal government purchased some of the idle machinery from one of the closed factories and began making binder twine in Kingston penitentiary. About the same time the Patrons of Industry formed the Farmers' Binder Twine Company at Brantford. From 1894 to 1900 this company never paid less than 10 per cent dividend annually and in 1901, three years after the tariff had been wiped out, they paid the enormous dividend of 250 per cent. They were able to pay this abnormal dividend on account of conditions resulting from the Spanish-American war and its effect upon the stock of raw materials on hand. This large dividend paid to farmers in all parts of Ontario gave rise to the opinion that large profits could be made from the

manufacture of binder twine. Two promoters from Montreal capitalized this temporary condition in the binder twine industry by promoting companies and selling stock for the erection of binder twine factories at Walkerton, Ontario, Chatham, Ontario, and Brandon, Manitoba. Before this idea of making easy money from the manufacture of binder twine had subsided, companies were formed and mills erected at Ayton, Peterboro and Brantford. Many of these new mills were conducted by men who new little or nothing of the business, and most of them were shortlived.

As I do not intend to take the full forty minutes allotted to me, and as I am discussing only one subject, I should be very pleased, Mr. Speaker, if you would call it six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BANCROFT: Mr. Speaker, when the house rose at six o'clock I had started to reply to that part of the speech of the hon. member for North Simcoe dealing with the binder twine industry of Canada. I had reviewed the history of that industry from the early days and had shown that prior to 1895 the binder twine industry was protected by a tariff of 12½ per cent; from 1895 to 1898 the tariff was 10 per cent and ever since January 1, 1898, it has been on the free list. I also showed that during the period when binder twine was protected by the 12½ per cent duty a combine had been built up embracing the eight factories then in existence, and that the combine had closed six of those factories, carrying on the business in the remaining two. The hon. member placed upon Hansard a list of nineteen firms which were manufacturing binder twine in 1898 and which had been forced out of business by foreign competition. The facts are that at least six of the firms named in that list were not in existence in 1898, but were established during the boom in the binder twine industry which occurred between 1898 and 1903, just after the duty had been removed. The payment of large dividends during that period by the Farmers' Binder Twine Company created the impression that a lot of money could be made in the manufacture of binder twine; clever promoters capitalized the situation and promoted the six companies I have mentioned. It was easy to sell the stock at that time, and these factories sprung up, owned and managed by men who knew little or nothing about the business. This has happened in many lines of industry during periods of prosperity, and only those that are established on a sound basis survive the first period of depression.

At least one firm named in the hon. gentleman's list was a commercial twine and cordage company, which was not equipped for making binder twine, and did not manufacture it. Five of the firms named in the hon. gentleman's list were liquidated between 1902 and 1904, yet, strange to relate, in 1904 the Plymouth Cordage Company, the oldest cordage company in America, decided to build a branch factory in Canada in the town of Welland, making an investment there of over $1,000,00. Since that time the Plymouth Company of Welland has done a uniformly successful business in binder twine.

The hon. member stated that the Consumers' Cordage Company of Montreal had ceased the manufacture of binder twine in July, 1927. This company makes rope and cordage also, and perhaps the hon. member does not know that the same machines and the same men are used for the manufacture of rope twine, which is the first process in the manufacture of rope. Such firms change frequently from the manufacture of binder twine to the making of rope twine. To state that the Consumers' Cordage Company ceased making binder twine last July does not mean that a single machine or operator has been idle. They probably cease the manufacture of binder twine about the same time each year.

Among the plants mentioned by the hon. gentleman was the Consumers' Cordage Company at Dartmouth, Nova Scotia. This plant has undoubtedly ceased to produce binder twine. So far as the Dartmouth factory is concerned, it is easy to see that it would be at a disadvantage in making twine to be used chiefly on the western prairies and in Ontario in competition with factories better situated to supply these markets. But this factory supplies us with an illuminating sidelight on the reason for demands for increased protection. Owing to the changes which have taken place in the character of ocean shipping and the substitution of steamships for sailing vessels, the market for rope and cordage in the maritimes has been greatly curtailed. The recent closing of the Dartmouth factory followed an attempt to place import duties on certain kinds of rope, to protect the Dartmouth factory at the expense of all the consumers of rope and cordage in Canada. The factory was closed entirely on grounds of economy. Evidently the concentration of the plant of the Consumers' Cordage Company in Montreal would

enable the business to be conducted on sounder lines and at lower cost, and that was the reason for closing the Dartmouth factory. Under the persuasion of the authorities of that town, however, the factory has again been put in operation. If it should be again closed, it will not be because there is not sufficient protection for binder twine, cordage and rope, but because good management of the business demands its concentration in the port of Montreal, where is naturally one of the best markets for its products.

My hon. friend referred to the Brantford Cordage Company Limited, and inferred that this was a large Canadian company which was being ruined because the tariff on binder twine had been removed in 1898. This company was not in existence in 1898 but was organized and its factory constructed when the Farmers' Binder Twine Company of Brantford was destroyed by lightning in 1901 three years after the abolition of the duty on binder twine. This company did a steadily increasing and profitable business until 1925, when the concern was reorganized and new stock issued on the assets of the company which assets included trade marks, patent rights and goodwill, amounting to nearly $1,000,000. The company's troubles seem to have begun at that date, twenty-seven years after the abolition of the duty on binder twine.

I have here a copy of the prospectus issued by the Brantford Cordage Company at the time of the reorganization of that concern. It is dated Brantford, Ontario, March 24, 1925, and is put out under the signature of the Brantford Cordage Company, Limited. I will just read one or two brief extracts from this to show that up to that time the company had been making steady and substantial progress. This paragraph is headed "Business" and I read the following:

> The proof of the exceptional quality of Brantford twines is the growth and development of our business, without tariff protection and in open competition with the world's manufacturers of binder twine, which has necessitated factory extensions from time to time until to-day we have reached an annual capacity of 20,000 tons and are the largest manufacturers of binder twine in the British Empire.

In another paragraph headed "Property" we find this:

> The completeness and convenience of the general lay-out of our mills, together with the efficiency in every detail, has enabled the company to produce its products at the lowest minimum cost, and to successfully meet all competition and steadily increase and expand the business.

There is another paragraph headed "Earnings", which reads as follows:

> The net earnings of the company, according to the certificate of Clarkson, Gordon & Dilworth, after depreciation and federal taxes for the five years ending August 31, 1924, have averaged $269,584.33 per annum.

The balance sheet as at 31st August, 1924, shown in the prospectus, discloses assets, less trade marks, patent rights and good will, of $2,913,092.08. Against these were issued preferred shares amounting to $2,850,000. This amount, plus some minor liabilities including $400,000 on account of 80,000 common shares, no par value, shows an excess of share liability over the assets named of over $990,000 and was offset by an allowance in the assets for trade marks, patent rights and good will of $993,797.05. We have no means of knowing what portion of this amount represented trade marks, patent rights and goodwill respectively; but it can scarcely be doubted that the goodwill of the vendors of the assets to the new company was valued at nearly $1,000,000 and that the new shareholders paid the vendors, either in cash or stock, for it. This is what is frequently called "watering the stock", and it is not surprising that the new company should find it hard to pay dividends upon it.

My hon. friend read an extract from a letter signed by the Brantford Cordage Company, Limited, which was published in the press of the country early in February last. Part of this letter reads:

> The present difficult situation is entirely the result of new competition that has arisen from Holland and Germany.

In this connection let me say that considerable twine has been imported from Holland in the last two seasons, but very little from Germany. I have here a copy of a reprint from the Toronto Daily Star of April 6, 1927, less than a year ago. This article tells how the Brantford Cordage Company Limited had secured an export order for $1,000,000 worth of binder twine in Russia in competition with Holland and Germany. My point is that if a Canadian company can compete with Holland and Germany in Europe, the small quantity of Holland twine imported into Canada should not seriously affect them. It is true, Mr. Speaker, that in the last three years the importations of binder twine from Holland have increased considerably, but at the same time the imports from the United States have decreased, and the total imports have decreased each year during the last three years. The imports from Holland for the fiscal year 1925-26 were 8,382,450 pounds. For 1926-27 the imports from Holland totalled 9,598,000 pounds, and from

April 1st to September 30, 1927, being the first six months of the fiscal year 1927-28 the imports from Holland rose to 11,964,300 pounds. But, Mr. Speaker, during those three years the imports from the United States had decreased. The imports from the United States for 1925-26 amounted to 39,184,480 pounds, while for 1926-27 the imports from United States dropped to 18,061,000 pounds, and for 1927-28 they fell still further to 6,910,-200 pounds. So that during the past three years the total imports into Canada have decreased considerably each year. The Brantford Cordage Company Limited has had a splendid record. It began in a small way in 1901, and to use its own words, "has steadily increased and expanded its business and extended its factory from time to time until 1925". Since then it has claimed to be in difficulties. These difficulties are of their own making. They are trying to pay dividends on too much watered stock, and the Canadian farmer is not willing to pay for such folly.

The hon. member stated that free trade had not reduced the price of binder twine, but that as a matter of fact the price was raised and is now much higher, and he has put upon Hansard a table showing the price of binder twine beginning with the year 1913. He shows binder twine to have cost 9 cents a pound in 1913 and 14 cents in 1926. Now the whole level of prices has risen in the same period. The index number of wholesale prices in Canada, as compiled by the Dominion Bureau of Statistics, shows that prices rose generally during the whole period he covered. If we take prices in 1913 as 100, prices in 1926 are represented by the number 156, or, in other words, the purchasing power of money declined between 1913 and 1926 in the ratio of 100 to 156. Binder twine costing 14 cents a pound to-day would be of the same actual value as binder twine costing 9 cents a pound in 1913; so that the rise in price shown in the hon. gentleman's table means nothing so far as free trade in or protection of binder twine is concerned. The price of binder twine bore the same relationship to general wholesale prices in 1926 as it did in 1913, and in 1927 the price was 12 cents or two cents lower than 1926. In other words, binder twine was actually cheaper in 1927 than in 1913, having regard to the variation in the purchasing power of money in these years.

That leaves out of account the great improvement in the quality of Canadian binder twine since 1913. Any hon. member who has used a grain binder over that period will bear me out in this. This improvement in quality has been brought about through the use of a better quality of fibre, and the use of improved machinery in the factories. I have a small list of figures here which I would like to have placed on Hansard in tabulated form. The table is as follows:

Canada's Production, Imports and Exports of Binder Twine

Years	Establishments making Binder Twine	Production Binder Twine (Calendar year)	Imports into Canada (Fiscal year)	Exports from Canada (Fiscal year)			Prices Sisal Binder Twine
				Canadian	Foreign	Total	
	No.	Lb.	Lb.	Lb.	Lb.	Lb.	Cents per Lb.
1895	(a)	(a)	2,036,409	(b)	(b)	(b)	3·51
1900	(a)	(a)	8,017,688	(b)	(b)	(b)	11·10
1905	8	9,719,259	11,404,052	(b)	(b)	(b)	10·7
1910	7	18,400,842	22,161,179	(b)	(b)	(b)	7·6
1915	2	969,673	28,577,030	12,281,708	35,850	12,317,558	8·6
1920	5	40,548,845	16,304,479	28,091,500	.....	28,091,500	20·2
1921	6	37,206,502	34,755,071	18,612,400	.....	18,612,400	17·3
1922	6	31,891,713	46,758,792	3,369,300	.....	3,369,300	12·4
1923	6	43,145,520	49,990,387	7,519,900	4,300	7,524,200	11·4
1924	5	57,420,864	54,427,211	13,919,300	29,500	13,948,800	12·5
1925	6	48,224,782	26,576,587	13,383,800	100	13,383,900	14·0
1926	8	58,431,083	47,629,886	9,514,400	47,300	9,561,700	14·1
1927	.....	.....	28,281,400	13,603,300	317,000	13,920,300	12·8
1928 (April to Sept. of fiscal year 1927-1928)	.....	.....	19,428,300	14,029,900	.....	.....	.....

(a) No production statistics are available in these years.
(b) No export statistics are available in these years.

The first year for which the Bureau of Statistics had figures showing production was 1905. These figures show that production has increased about six and one-half times between 1905 and 1926, while imports have increased only two and one-half times during the same period. Exports have increased a little comparing 1926 with 1905.

A study of the trade figures and the reports issued by twine manufacturers shows that this industry has expanded and prospered under free trade. Its growth compares quite favourably with other industries operating under protection over the same period of years. No mergers have been formed. The quality of the product has improved and the farmers are being supplied with a high quality twine at a reasonable price. The companies engaged in this industry have had periods of expansion and periods of depression, similar to those experienced in other industries. Naturally the binder twine industry is directly affected by the acreage sown and the character of the season. Disinterested study of conditions affecting the binder twine industry must lead to the conclusion that it has benefited from the removal of the duty as much as any single industry, operating in a country where protection is the general rule, can benefit. Its experience supports the contentions of the advocates of a low tariff and there can be no question that the results have been of considerable advantage to the grain growers of the Dominion, so much so that the imposition of a protective duty on imports of binder twine would arouse very great resentment among the farmers of Canada.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, this afternoon the hon. member for Haldimand (Mr. Senn) discussed very effectively the Australian treaty and during the course of the debate on the budget this question has also been discussed freely by those on this side of the house. I shall therefore content myself with supporting the views which the hon. member for Haldimand so well put forward. It is quite evident that farmers and dairymen from ocean to ocean are protesting against the preference of one cent per pound on Australian and New Zealand butter. I notice in this evening's paper a report that further large consignments of butter are now on their way from New Zealand to the port of Halifax. I have been informed from my own district that butter cannot be sold by farmers at a reasonable profit in competition with New Zealand and Australian butter and I venture to think that the government will not come to parliament next session without having some modification made of the Australian treaty.

I propose to say something to-night on what is an important national question, one that greatly affects Canadian trade. It affects the communications with the motherland and the sister dominions. Three years ago I ventured to speak to the house on this subject and again to-night I take the opportunity of bringing this matter before the house and directing the serious attention of hon. members to it. I would term it: Canada in relation to the cable systems and telegraph systems. In the year 1910 there were five British-owned submarine cables on the Atlantic ocean and during that year those British submarine cable companies were acquired by United States interests, so that the position then was that there were no British Atlantic cables. As we know, Great Britain took the foremost position in the early history of ocean cables and in the manufacture of cables. As I say, Great Britain in 1910 owned five cable companies but these were absorbed, leaving none owned by Great Britain. May I draw the attention of the house to a book entitled Telegraphy, Aeronautics and War by Charles Bright, who makes this statement of conditions at that time:

> After making and laying fifteen out of the seventeen cables doing service at the bottom of the Atlantic ocean, we do not now possess control over a single one! There are thirteen cables landing on the shores of the United Kingdom and Canada, every one of which is to-day under complete American control!

In the year 1914, soon after the breaking out of war, the British government took one of the German cables, and at that time there were seventeen Atlantic cables, thirteen being American, two French and two German. Of the two German lines one was taken by the British, one end being conducted into Penzance in England and the other into the port of Halifax. The remaining German line was taken by the United States and served as a means of communication between that country and Italy. The British then had one line, the German one, and in the year 1921 the British government purchased a United States cable for the sum of £570,000. It was, and is now still more so, an old cable sixty years old. The German line, not so old, is still an old cable. In the year 1921 there were two cables under British control. At the present time there are nineteen cables on the Atlantic running between America and Europe. The Western Union has eight, the Commercial Cable Company, that is the Mackay-Bennett, has six; there is the German cable—under the Americans—I have mentioned, two French cables, and two imperial cables owned by the British government—nineteen in all. I have now stated the position of the Atlantic cables.

The house is probably more familiar with the Pacific cable which is owned jointly by Great Britain and the Dominions; two-fifths by Great Britain, and one-fifth each by Aus-

tralia, New Zealand and Canada. While apparently there have been some difficulties in the last year or two in regard to management, I believe the fact is that all the dominions have earned a handsome income and surplus from the use of that cable, something like $300,000 or more a year having come to the Dominion government.

In regard to telegraphs, there are three telegraph systems in Canada, the Canadian National, the Canadian Pacific, and the Western Union. The Canadian National, starting at Vancouver, where it has cable connections, runs across the country and ends at Moncton. The Canadian Pacific, starting at Vancouver, where it has connections, runs across the country to Nova Scotia, where it has cable connections. One difference between the two lines is that the Canadian Pacific terminates on the eastern seaboard, while the Canadian National terminates at Moncton. There is a gap of 198 miles between Moncton and Halifax, where some of the cables are. That gap is not completed by the Canadian National, but the Western Union comes in there and continues from Moncton to Halifax, picking up the communications. The Western Union is the sole telegraph system in Prince Edward Island; it also is the sole system in a portion of New Brunswick and in a portion of Nova Scotia. The Western Union is an American line; it is not Canadian. If one wishes to send a cablegram from Ottawa to London and goes to the Canadian National office, the message will be sent by the Canadian National to Moncton, where it is transferred to a foreign company, the Western Union, and transmitted over an American cable. If the message is sent by the Canadian Pacific, it proceeds from Ottawa and later passes over a considerable mileage through the state of Maine, and finally reaches Halifax, where it connects with the cable. In the ordinary course, messages sent from Ottawa going Canadian Pacific are transmitted over an American cable, and messages sent by the Canadian National are transmitted over the Western Union, and go over an American cable. If the sender thinks about it and wishes it done, both companies will send the message over British cables if the sender so specifies, but it is only on request that the cable messages are sent in that way.

Three years ago, when I had the opportunity of speaking to the house, an arrangement with the Canadian National could not be effected; that is, at that time the Canadian National could not transmit a message across the Atlantic by the imperial cable because they had no connection, and they had to use the Western Union. To that extent there has been a change since that day. Messages from London to Ottawa are sent over the imperial cable, a government-owned cable, and are then transmitted over the Canadian Pacific, although it passes through a large section of the state of Maine.

Mr. CANTLEY: I am asking this question for information; but is it not a fact that the Canadian National have a working agreement with the Western Union, as a part of which agreement they have the option of taking over the lines of the Western Union in the province of Nova Scotia at any time they desire to do so?

Mr. MacLAREN: I would have to refer that question to the government.

Mr. VENIOT: They are valuating them now in the negotiations to take them over.

Mr. MacLAREN: I did not hear what the Postmaster General (Mr. Veniot) said, but so far as I know, that arrangement has not yet been completed. I am perfectly aware that I urged three years ago that it be done, but the Minister of Railways of that time did not accept the views I was putting forward, nor did he accept my criticism of his attitude at the imperial conference.

I have stated the position of the cable companies and of the telegraph system and I have pointed out what I believe to be a highly unsatisfactory condition at the present time. The Western Union, after all, is a foreign company and should not be exercising telegraph rights in this country, as contrasted with a company under British or Canadian control; and furthermore, the system is limited so far as the Western Union is concerned. It has been stated that during the past twelve months or more negotiations have been proceeding between the government and the Western Union. I hope that those negotiations will be carried to a successful conclusion, but I have not yet heard that that has been accomplished; it has certainly not been announced to the house. It is a highly important matter, and I trust that the government will go on, under all the circumstances and acquire the Western Union. This is important from our own national standpoint. The telegraph system is one around which all possible safeguards should be thrown. From diplomatic standpoint and even from a business standpoint there should be a privacy and a safeguarding against leakage which cannot be ensured under the present circumstances.

I hope the Postmaster General assured the house that that was going through. I did not hear his answer.

Mr. VENIOT: I said that negotiations were being still carried on.

Mr. MacLAREN: That is my understanding, that negotiations have been under way for a year or more—naturally, for it is a large proposition. I believe the country will approve the action of the government in taking over the Western Union, and under no ordinary circumstances should that system continue as it is. It should be linked up with our Canadian National telegraph system across the continent, and so give us direct connection with the imperial cable and the Pacific cable.

I would also draw attention to the fact that while the participation of the Canadian government in the Pacific cable has been remunerative and successful, we have no interest in any Atlantic cable.

Mr. VENIOT: Would the hon. gentleman allow me to correct him? I know he does not wish to convey a wrong impression. During the last three years our participation in the Pacific cable has not been remunerative.

Mr. MacLAREN: But previously—

Mr. VENIOT: Yes, during the war it was remunerative.

Mr. MacLAREN: —there was something like $250,000 profit.

Mr. VENIOT: During the war years.

Mr. MacLAREN: That will help to make up the average.

Mr. VENIOT: I do not wish to interrupt my hon. friend, but I think he should have this information. During the war, profits on the Pacific cable accumulated to the amount of eleven million dollars, but this money was all spent in the construction of a new cable. Consequently Canada and the other contracting parties are still faced with the whole deficit.

Mr. MacLAREN: And they have a new cable. Surely that represents a good deal as an asset; and, as I say, there were periods when the cable was operated at a handsome profit. Now a new cable is being constructed, and in any event, whether there is a profit or not, this cable is necessary from a national standpoint.

Mr. VENIOT: Certainly; you are right there.

Mr. MacLAREN: I speak now of the Atlantic. Canada has no interest in any Atlantic cable. Look at the position Great Britain is in to-day in this respect. The pioneer country in cable service, at one time owning five cables under British interests, to-day she has but two—one captured from the Germans, and the other a sixty-year-old cable bought from one of the American companies. We hear a good deal about equality of status. If we take that stand we must accept greater responsibility than we have shouldered hitherto. Surely that is clear. I venture to express the hope that the government sometime in the near future, while claiming equality of status, will also take what I might term proportional participation with Great Britain in an Atlantic cable.

Mr. VENIOT: Would the hon. member advise that in view of the developments in the beam system of transmission?

Some hon. MEMBERS: Order.

Mr. VENIOT: I am asking for information for the benefit of the house. Would the hon. member advise the participation of Canada in an Atlantic cable in view of the developments in the beam system of radio transmission?

Mr. MacLAREN: Yes, I would.

Mr. VENIOT: That is not what they are doing in England; they are advising against any further cable commitments.

Mr. MacLAREN: After all, while radio transmission is an important adjunct to cable transmission, it is a variable system; that is, it can be jammed. We need both systems, for you cannot yet depend entirely on radio. Certainly it makes an excellent supplementary method of transmission, but those who have experience in these things declare that the cable system is absolutely dependable. Therefore in reply to the question of the Postmaster General—and it is a perfectly proper one—I do hope the government will go on and make such arrangements as will ensure our having a new up-to-date cable with proportional participation by Canada in the expense incurred.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, as this debate has continued several weeks it is becoming very difficult to develop any subject which has not already been pretty thoroughly discussed. I have noticed that hon. members from all quarters of the house have expressed a wish for peace, happiness and prosperity for the people of Canada, but the methods they suggest for securing that happy condition of affairs vary very much. The hon. Minister of Justice (Mr. Lapointe) a few days ago pointed out that hon. members opposite of the Conserva-

tive party and of the Progressive group had expressed entirely divergent views as to how the varying interests of Canada could be harmonized, and it seems to me that the government occupies a central position, being pushed in one direction by our Conservative friends and in the other direction by our Progressive friends.

We have in this house representatives of the two great historic parties and as well the representatives of the Progressive and Labour groups. The Liberal party has a traditional fiscal policy, as I understand it—to maintain the lowest tariff possible. True, the government is not working in that direction as fast as some of us would like, but that, I submit, is the fiscal policy of the Liberal party. And I believe that the great majority of the people are in favour of such a tariff policy. For instance, the representatives of the Progressive and Labour groups, who have been sent here by those producers and workers who did not feel that they were being properly represented by either of the old parties,—those representatives favour a low tariff. Then we have the Conservative party, who retain their traditional fiscal policy of protection. I take that for granted after reading an editorial which appeared in the Montreal Gazette on Monday, definitely stating that the policy of the Conservative party is one of protection. True, it is noticeable by the tone of the resolutions that passed at the Winnipeg convention and by the remarks of some members of the official opposition that they are to some extent departing from the policy of Sir John A. Macdonald, a policy which he contended was admirably fitted to fully develop the Dominion of Canada as it was in his day.

Now, I am convinced that a great number of our people believe that the tariff should be kept as low as possible, for very good reasons, one of these being that, as is pretty generally conceded, the price of any article or commodity increases as the tariff thereon is raised; and the hon. member for Selkirk (Mr. Bancroft) showed conclusively this afternoon that as the tariff is reduced on any article or commodity its price decreases accordingly. It seems to me that competition from within too often is not sufficient to maintain prices at their proper level, and that we need outside competition to attain this end. Then again, Canada has great natural resources, and if our industries are to be prosperous they must be based on those natural resources. It is scarcely fair for any industry to ask that it be protected to the extent of 35 or 40 per cent, for this enhances prices and the people under present conditions should not be forced to buy the products of that industry.

[Mr. Gershaw.]

I had intended to discuss the question of immigration, but it was so thoroughly dealt with this afternoon by the hon. member for Vancouver North (Mr. McRae)—and no one is better qualified than he to speak on the question—that I do not deem it necessary to do so. I was glad to hear the applause which greeted his statement that in any policy of land settlement our own young men should be given as good an opportunity to participate in its benefits as any immigrant.

We have been told that the national revenues are buoyant, that Canada is in a good position financially, and that there is very general prosperity throughout the country; and the reason I made bold to rise to-night was to suggest some ways in which those revenues might be used to great advantage. We desire to encourage the tourist business in every possible way, because it is very profitable for the Dominion, and in the near future large expenditures will be required on highways. We shall also require to continue branch railway construction. In many of our outlying districts the people have to go many miles to a market, and there is very great need for railway facilities, especially in the western part of this country. Further branch lines have been definitely promised, and the people of those districts have tried again and again to secure their fulfilment, but they are still living in hope that something will be done at no distant date. I believe much money will need to be spent in this direction. During the war and the years immediately following the war very few public buildings were constructed, and I noticed when the hon. Minister of Public Works (Mr. Elliott) was trying to get his estimates through, several members pleaded for post offices and other public buildings in their constituencies. It seems to me that in the near future a great deal of money will have to be spent for this purpose. Then again technical education will have to be supported by grants from the federal treasury. The government in the past has done a good deal in this direction, and I am sure that many of us will be sorry that the grants are not being continued. Another source of expenditure which confronts us is in aid of the various provincial governments. Many of them to-day are having great difficulty in balancing their budgets. The government of the province of Alberta has had to report a deficit in spite of pretty careful management.

An hon. member remarked the other day that Canada suffered a great deal from the war, and that around our tables there are at least fifty thousand vacant chairs. But besides those who made the supreme sacrifce we

see on our streets many returned men who still bear the scars of war service, and we know that many of them are suffering now from diseases attributable to their service overseas. The stress, the strain and the anxiety of those days is now beginning to affect the health of many of those who were fairly sound at the conclusion of hostilities. It is quite clear that more money will have to be spent for pensions. I have been told by a reliable authority that during the month of February just passed eleven hundred new claims for pensions were filed, 96 per cent being from men who had never before taken that step. Canada went wholeheartedly into the war, and took her full share of responsibility. No one regrets that, and surely no one is unwilling to do his or her share in recompensing those for the personal sacrifices which they made overseas.

No one will challenge the assertion that those best able to pay should bear a greater share of taxation, and at the present time I do not think any of us would object to paying the present rate of income taxation. In view of the great need of money to meet the expenditures to which I have drawn attention I think taxation should be reduced very gradually. It seems to me that as taxation can be reduced the customs tariff should first receive attention, then the sales tax, and last and least of all the income tax. It is hardly fair for us to compare our income tax with that of the United States. There the government obtain about 65 per cent of their revenue from income tax, while we obtain only 14 per cent. Besides, Canada was in the war from the very beginning until the armistice.

Now, as to the subamendment proposed by hon. members directly opposite, it contains much that appeals to me. The fact that the income tax has been reduced certainly is a matter for regret. The fact that the sales tax has not been eliminated is not quite so clearly a matter for regret, for I believe it would be a hardship to remove this tax all at once. It would deprive the treasury of a great deal of revenue, and it would be unfair to many retail merchants who have goods on their shelves on which they have paid the sales tax, and they would have to sell these in competition with goods purchased after the removal of the sales tax. It is true some reduction has been made in the customs tariff but, as I said before, I should like to see a greater reduction in that direction. There is much that appeals to me in the subamendment, yet I should not like to vote for it if it meant turning the government out of office.

Mr. GARLAND (Bow River): It will not turn them out; you can safely vote for it.

Mr. GERSHAW: Then much less would I be inclined to vote for it, if it means nothing. The government has a policy in which I believe, and I am fully persuaded that the country have full confidence in every member of the government.

Mr. G. T. MacNUTT (Colchester): Mr. Speaker, before proceeding to discuss the subject now before the house I desire on behalf of the hon. member for Cumberland (Mr. Smith) to read a letter which he had not finished on Wednesday last when his time expired. This letter is from the Oxford Manufacturing Company of the town of Oxford in the county of Cumberland, and is as follows:

We were stunned to read the portion of the Robb budget dealing with the textile industry. We were suspicious that the Tariff Advisory Board was but a gesture, and it has so worked out. The agricultural interests of this country were entitled to have counsel before this board, but there is no good cause why the Bradford Chamber of Commerce, representing the woollen manufacturers of England, should have anything to say as to the regulation of tariff matters of this country. From 1878 to 1897 this industry was developed to great proportions, but the demise since then has been gradual under the bane of constantly decreasing protection. The application of the manufacturers before the Tariff Advisory Board was very complete, and in addition to this a brief was presented to Hon. Mr. Robb by the Canadian Woollen and Knit Goods Manufacturers' Association, reference No. 42, touching on the tariff and conditions in this and other countries for more than one-half a century back. It should be only necessary to show that in this country we make only 30 per cent of the woollens used, but evidently the discrimination against this industry must go on. It is impossible to believe that the Tariff Advisory Board, if unfettered, could otherwise than recommend some measure of help for the manufacturers of woollen cloths. Instead of protecting the employees of this industry against foreign labour, Mr. Robb has wiped away the duty on weaving yarns, which means, but for the small number of workers employed in the weaving and finishing of the cloth, this commodity can be brought in now absolutely free. We doubt very much if the minister of the department realized this. In any case, the blow has been struck, and the end is not far away for the average woollen manufacturer. Not in twenty years have the changes in the tariff endangered the life of the woollen industry as this one.

You will note that in the case of 40's and finer yarns a small duty has been added. This is no help, of course, as only the worsted mills spin this fine. In the medium size yarns which are commonly made here the duty has been cut. We need to have our case placed before the government through a royal commission. The manufacturers should combine together and elect one man to fix prices, wages and other conditions and to see that these are adhered to.

Yours very truly,
The Oxford Manufacturing Company,
Limited.

I can quite understand, Mr. Speaker, why the hon. member for Cumberland was anxious to place this letter before the house and the country, representing as he does a constituency which has been struck harder than perhaps any other portion of the province of Nova Scotia. I am sure that as a representative of that county he does not wish to see any more smokeless chimneys left standing as monuments to the tariff tinkering of the present government.

In looking at the budget in general, as it affects the whole country, I think we should congratulate ourselves that as it has been presented it is not very revolutionary. The general public attitude seems to be that it will neither kill nor cure anybody or anything. Being a canny Scot, the Minister of Finance (Mr. Robb) has developed the habit of playing safe, but on this occasion, with so many widely divergent views to meet, his task has not been one of sun clear simplicity. He had to prepare a budget the chief object of which was to glorify the King government, and for this purpose there had to be more shadow than light in his financial statement. The arts of concealment and manipulation, the drawbacks and shifts made to get around awkward facts, make this tissue of tricks a very shallow performance. With a Barnum like belief in the general gullibility of mankind, the minister has endeavoured to ride two horses and serve two masters, and of course he will come to the inevitable fall. Someone said long ago that you can fool all the people some of the time and some of the people all the time, but you cannot fool all the people all the time, and I think that is a very true saying at this time in our history.

We regret to observe that the minister is beginning to show signs of the strain of his office, in endeavouring to reconcile the many conflicting elements which surround him. Some of these hon. members want a low tariff, some want a high tariff and some want no tariff at all. On this side of the house we are very fond of the Finance minister; we like his geniality, and we very much regret to learn that he is desirous of relinquishing his portfolio. May I make the prediction that if the minister can retain his portfolio for one or two years longer the people of this country will probably give him a much needed holiday.

I read a letter concerning the textile industry in Nova Scotia, and I think the changes in the textile schedules are the most extensive and drastic contained in the present budget. The whittling and nibbling at the steel and coal schedules have been so ably dealt with by the hon. member for Pictou (Mr. Cantley) and many other hon. members that at this time I will not attempt to make any extended reference to them, except to remind the Prime Minister once again that we in the maritime provinces accepted his pledge in good faith when he stated that the assistance recommended by the Duncan commission would be given, or at least dealt with, during the present session. It is a very disappointing situation which we face to-night. A few weeks ago the Postmaster General (Mr. Veniot) journeyed down to the city of St. John and made an announcement which is reported as follows in the press:

> The government had implemented all the recommendations of the Duncan report except two, the Valley railway project and the bounty to Sydney steel plant. The two matters were, however, receiving the serious consideration of the government, and with in a few weeks the policy would be divulged, which he thought would make every maritimer feel proud.

The Minister of National Defence (Mr. Ralston) speaking last year in the city of Sydney and elsewhere, boasted that the government had fulfilled the recommendations of the Duncan commission one hundred per cent. The utterances of these two ministers remind me of the practice which exists at present in our northern country where for a good many months of the year transportation has to be carried on with dog teams. The owners of those teams in that northern country, I am told, always have one or two loose dogs, which are trained to go out unharnessed in advance and bark in order that their barking and their activity should encourage the team doing the hauling. The barking of the two ministers referred to were given, doubtless, for the purpose of encouraging the government to do what they were pledged to carry out but which pledges I am sorry to say have not been fulfilled.

I feel disappointed that the Minister of National Defence, speaking from his place in this house a few days ago, should have stated that the government would give serious consideration to granting the assistance to the steel industry of Nova Scotia which the Duncan commission had recommended whenever the following conditions would be met:

First, there must be unity between the coal and steel companies.

Second, there must be a shrinkage of the capital so that the industry will have an opportunity of earning dividends on some reasonable investment.

Third, the unwieldly organization should be simplified. It now consists of some fourteen companies.

Fourth, there ought to be co-operation between the provincial and municipal authorities in the work of building up this great industry. With the litigation ended and these conditions met, the way will be open for serious con-

sideration by the federal government of the presentation of the real and legitimate needs of the industry.

That, Mr. Speaker, was the most disappointing announcement I have heard since coming to this house three sessions ago. A year ago among the maritime members there was a diversity of opinion regarding the action we should take at that time, and some of us dissociated ourselves from the ideas that others had expressed in that respect. To-night, after the recent statement of the Minister of National Defence, I must say that the majority of us who urged giving the government more time, in other words, to hold out the olive branch and afford the government further opportunity to deal with this question, were wrong, and those who opposed that course were right. Let me say that down in the province of Nova Scotia we all admire the Minister of National Defence as a brilliant lawyer, we admire him as a gallant soldier, but after his recent announcement we cannot admire him as a statesman or a politician. I believe that had the Minister of National Defence and the Postmaster General said to the government in regard to these great basic industries—which in my judgment means more to the people of Nova Scotia than all the other industries dealt with in the recommendations of the Duncan commission—that they would pack their trunks and go home, we would have had before us to-night legislation which would have given that industry the same fighting chance as other steel industries in Canada enjoy. I believe that the assistance which the Duncan commission recommended should be given that industry as it is the only assistance that would place it on a footing with other steel industries in Canada.

Mr. RALSTON: Will my hon. friend permit a question? Is he aware that the boards of trade and all those who made representations in connection with the Duncan commission's report stressed, as the most important part of that report, the lowering of the local freight rates?

Mr. CANTLEY: That is only one portion of the recommendation.

Mr. MacNUTT: The question of freight rates is a separate question altogether.

Mr. PARENT: That is a case where ignorance is bliss.

Mr. MacNUTT: I have here a resolution passed a few weeks ago by the board of trade of the town of Truro in the county which I have the honour to represent.

Mr. RALSTON: Was not the lowering of the local freight rates what was emphasized by boards of trade all over the provinces, who took the ground: If you can only get that it is the biggest thing of the lot?

Mr. MacNUTT: May I read the resolution to which I have referred—as I do not get the minister's interjection:

Whereas in the year 1926, Canada produced 16,457,484 tons of coal and imported 18,056,139 tons, for which importation over $100,000,000 was paid;

And whereas in the year 1926 the steel plants of Canada produced 649,390 tons of iron and steel products (less than one-half their capacity output) while in the same year 922,482 tons of foreign iron and steel were imported into Canada for which some $50,000,000 was paid;

And whereas the Duncan commission on maritime claims recognized the coal and steel industries as important national assets and recommended certain measures necessary to help establish these industries;

Therefore resolved that the parliament of Canada should adopt a national fuel steel policy which recognizes Canada's need of coal and steel and Canada's ability to fill that need, the aim of which policy being to produce in Canada the coal and steel consumed in Canada so far as that is at present possible and to take the necessary steps to secure expansion of these industries so that there may be ultimate and complete fulfilment of this national policy;

And further resolved that the recommendations of the Duncan commission on behalf of these industries should be immediately implemented.

That is all I wish to say at the present time regarding the existing situation as to the non-fulfilment of the recommendations of the Duncan commission in reference to steel. May I also refer briefly to another matter to which previous speakers have made very little reference? The Duncan commission advises the apointment of a minister or a deputy minister of fisheries, but I have heard no reference whatever by the government in regard to this appointment. It cannot be that the government lack men on that side of the house who are practical fishermen. Possibly the hon. member for Antigonish-Guysborough (Mr. Duff) has more knowledge of the fish business than any other hon. gentleman sitting on that side of the house. I remember a few short years ago that the hon. member for Antigonish-Guysborough accompanied the Premier on a speaking tour throughout Canada to the Pacific coast, and I am sure that if at that time the hon. member was of such calibre that he could occupy a position on the platforms of this country with the Prime Minister, he should be capable of filling the position of deputy minister or minister of fisheries. The people

of the maritime provinces are looking forward to the appointment of someone to fill this position. They believe that will solve many of their difficulties and, as before stated, I cannot think that it is for any lack of suitable members from the maritime provinces on that side of the house that the position has not been filled. May I suggest that before many weeks pass the position which I have indicated, that of a deputy minister or a minister of fisheries, should be filled?

I should like for a moment to refer to that portion of the amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan), which transcends all other questions in the constituency which I have the honour to represent, as a matter of fact, in the whole province of Nova Scotia. I refer to the government having made no provision in the budget for the preservation of our domestic markets for Canadian farm and dairy products, nor any reference to legislation for the effective development of the natural resources of this country. Let me first point out that dairy farming in Nova Scotia, and particularly in the constituency which I have the honour to represent, is carried on most extensively, and notwithstanding the fact that hundreds of petitions and resolutions from all Canada have been forwarded to the government praying that the duty be increased on importations of butter from Australia and New Zealand, the government thus far have turned a deaf ear. The hon. member for Queens (Mr. Sinclair)—and I regret he is not in his seat to-night—who followed me a few weeks ago in the debate on the address, contended that prices of dairy butter had not been decreased by the importations of butter from Australia and New Zealand. In this view the hon. member for Queens is entirely at variance with the dairymen in his province and, indeed, throughout Canada. I have before me a most interesting address delivered a few days ago by Mr. J. A. Macdonald, of Charlottetown, dairy superintendent for Prince Edward Island. I think it was the hon. member for Kings (Mr. Macdonald) who referred to this matter in his speech a few weeks ago. The address is such an admirable one that I should like to see it printed and sent out to the people of this country. Mr. Macdonald, who is in the employ of the Liberal government of Prince Edward Island, closed that interesting address in the following words:

> At the present time our markets have received quite a set-back, owing to so much New Zealand butter being dumped into Canada. Up to November first, 100,000 boxes of New Zealand butter was exported to Canada, and one boat in November delivered 34,000 boxes in Halifax.
>
> New Zealand and Australia are producing, under summer conditions, and are bonused to the extent of six cents a pound. So you see why we cannot compete with that trade, and make a profit with our type of cow.

That is a statement by the dairy superintendent of Prince Edward Island.

Mr. PARENT: Where did the hon. gentleman get his statistics?

Mr. MacNUTT: I can furnish the hon. gentleman with a full copy of this speech if he will apply to me after the house adjourns.

Mr. PARENT: I do not want the hon. gentleman's speech. I should like to find out whether the statistics he is producing are correct or not.

Mr. MacNUTT: If the hon. member will contain himself a little longer I will give him some statistics from the national dairymen's association if he doubts this. Mr. Macdonald filling the position he does in the service of the government of Prince Edward Island, a position which places him in constant touch with the dairymen of that province, I will leave it to the house and to the country to decide which judgment would be most reliable, that of the dairy superintendent of Prince Edward Island, or that of the hon. member for Queens. How can that hon. gentleman honestly urge a policy so diametrically opposed to the interests of his constituents and of Canada? My hon. friend—and I regret his absence to-night—is known in that portion of the province as "Honest John".

Mr. CANTLEY: Formerly known.

Mr. MacNUTT: I may say, formerly known. Of course this was before he went into politics.

Mr. CASGRAIN: He is still called Honest John.

Mr. CANTLEY: No, "Simple John" now.

Mr. CASGRAIN: No, "Honest John."

Mr. MacNUTT: I should like to have placed on Hansard some statistics which were given in answer to some questions by the hon. member for South Oxford (Mr. Cayley) dealing with importations of butter; but I find that Hansard has already been loaded up with a great deal of the same statistics and I will let that feature pass for the present.

A few weeks ago in this house I stated that in the constituency which I represent 1,400 of our best milch cows had been shipped away, mostly to the United States. I had some doubt whether my figures were correct, so I

wired to one of the leading dairymen in my county, and the day after I made that speech I received the following reply:

Over three thousand shipped out of province Colchester alone shipped two thousand.

(Signed) C. P. BLANCHARD.

That was some weeks ago. Mr. Blanchard, I may say, is one of our leading Nova Scotia dairymen, a good friend of mine, and a good friend of the Liberal government. I also have a letter here from him informing me that the Borden Milk Company in the town of Truro have announced that if the farmers continue to dispose of their herds, the company, being unable to secure the quantity of milk that they require in their factory, will be forced out of business. The Borden Milk Factory, I may add, is the oldest condensing plant on the American continent—not in Canada alone, but on the continent of America—and I say that if such an old-established plant is driven out of the country because the farmers of the district are unable to make a profit from their herds, due to the importation of New Zealand butter, it will be another tragic addition to the already large number of silent factories and smokeless chimneys.

The hon. member for Queens (Mr. Sinclair), speaking in the debate, said that the reason the Americans were buying cows in Nova Scotia was because they could buy them cheaper. I confess they can buy them cheaper, but why is that so? It is simply because the farmers are going out of the dairy business, and their cows are being sent to the United States, where the farmers are protected to the extent of 12 cents a pound on their butter, 20 cents on a wine gallon of cream, and 2½ cents on a wine gallon of milk; and there is a bill before congress to-day proposing to increase the duty from 12 to 16 cents a pound on butter, and on cream not over 45 per cent butter fat from 20 cents, which is the present duty to 30 cents a wine gallon, and from 2½ cents, the present duty, to 7½ cents per wine gallon on milk. That is why our cows are going to the United States.

I promised an hon. gentleman who interjected a remark a while ago to give him certain figures, which I will now do. At the ninth annual meeting of the national dairy council of Canada, held in Toronto on November 21, 1922, the council voted to ask the government to terminate the Australian treaty. Only three days ago a delegation of the National Dairymen's Association of Canada, which has a membership of 250,000 and is representative of all the dairying interests in this country, waited on the government at Ottawa, and I had the pleasure of meeting the president of that association and discussing this question with him. Incorporated in the memorandum which they presented were resolutions from every dairymen's association from Nova Scotia to British Columbia, all referring to the great injury that was being done the dairying industry of Canada by the large amount of Australian and New Zealand butter which has entered Canada since September last. It was shown that at the port of Vancouver, 386,340 pounds of Australian and 6,738,000 pounds of New Zealand butter, and at Halifax 5,704,440 pounds of New Zealand butter, had arrived in this country, making a total importation of nearly 13,000,000 pounds. In addition to that, it is expected that a boat load will arrive at either port every two weeks until the end of March, which means that Canada will receive more than 15,000,000 pounds of Australian and New Zealand butter in this session alone. It was also shown that this had the effect of lowering the price of butter fat to producers from 3 to 5 cents a pound.

The memorandum also estimated that the 15,000,000 pounds of imported butter, had it been produced in Canada, at 200 pounds per cow per year, would require 75,000 cows, averaging 10 cows per farm, and would require 7,500 farms giving employment to as many farmers and their families. Canada has the lowest tariff on butter and cheese of any dominion in the British Empire, it being one cent per pound as against 12 cents per pound in Australia.

I desired to speak on the question of the natural resources of this country, but time will not permit, and I shall therefore discuss it at a later date.

Mr. E. A. PECK (Peterborough): Mr. Speaker, may I venture to tender to you my congratulations upon the change made in the rules of debate, chiefly, I believe, upon your recommendation. There has been some criticism of the new rules, but I believe they have been of considerable advantage. They have had two results: One is the elimination of the long and tedious speeches to which we were accustomed to listen, and the other is the advantage, if it is an advantage, of introducing into the debate the newer and younger members.

I wish to address a few remarks to the hon. Minister of Immigration and Colonization (Mr. Forke), who I am sorry is not in his seat at the moment, but perhaps I may venture to address him through Hansard. I want to appeal to him, as other hon. members

have done, to reverse his decision with regard to the McConachie child. As the matter now stands, unless the minister changes his decision, the result will be that husband and wife are separated, and the children do not get the advantage of the mother's help and comfort at an age when they so much need her care. The only reason why these people are compelled to be separated is because of the fact that the youngest child, a mere infant, is said to be weak-minded. If this is so, is there any harm in allowing that child to enter Canada when we get the advantage of receiving immigrants whom we need to the extent of a man, his wife, and four other children? There are weak-minded people in this country at the present time, and we are not suffering a great deal; and it will not hurt very much if another weak-minded person is allowed to come in. The minister's reason for his decision, as stated in the house, is that he is tied by regulation, but the Immigration Act is the only legislation controlling the situation, and section 4, which has already been quoted in the house, reads:

> The minister may issue a written permit authorizing any person to enter Canada or, having entered or landed in Canada, to remain therein without being subject to the provisions of this act.

The act is clear; surely there is nothing in it to prevent the minister from issuing that permit if he sees fit.

Mr. KING (Kootenay): That question came up a day or two ago and it was suggested that it be referred to the Department of Justice for a ruling. I am informed that the department has given its ruling, maintaining that section 18 is the controlling provision; and under that section the minister is not permitted to exercise discretion.

Mr. PECK: I should be very glad to see that decision. At any rate, the act seems to me to be clear enough. One would think that any lawyer or layman would infer, when an act says something, that it means what it says. It is suggested, however, that the matter is also affected by a regulation, but the regulation could scarcely be of greater force than the act itself. But even if there is a regulation that can very readily be overcome, because it must be confirmed by order in council and an order in council could be obtained changing the regulation to meet this particular case. This case is one that has excited a good deal of interest, and as the matter now stands it is a reflection upon the Dominion if these people are to remain separated. Some effort should be made to reverse the decision, and I submit that the minister should make it possible for these people to be brought together again.

I want to refer now to the question of population, and also unemployment—two matters which are closely related. There is no doubt that the country stands in need of population; everyone agrees with that. It has been stated by many leading citizens that what is needed for the development of the Dominion is an addition to population. The railway officials are strongly of that view; Sir Henry Thornton has referred to the matter several times in public addresses. Here we have two railways, efficiently managed, excellently equipped, running on time and giving good service, the officials all endeavouring to do what they can to promote the interests of their respective companies. Yet we find the Canadian National actually unable to meet its financial engagements for lack, as Sir Henry Thornton has said, of a larger population to provide increased freight and passenger traffic, which would enable him to put the railway on a better footing. Along the same line we hear from the president of the Canadian Pacific Railway Company.

Not only is our population stationary, but in the past few years a great many people have moved to the United States. That is a fact which is uncontradicted; indeed it is borne out by the government statistics. The matter is therefore one deserving the careful consideration of the government. Why should so many people in this rich country find it necessary to move to another land to make a living? It is said that we are unpatriotic in pointing out these facts. It seems to me that we should be unpatriotic if we did not point them out, the facts being as they are, with a view to obtaining, if possible, some solution for the problem which is presented to us.

The people of Canada are very favourably treated in having had assigned to them such a substantial portion of the earth's surface for management and development. Canada is a country of which we are all proud, a country embracing the northern half of the American continent, bounded by the Atlantic and the Pacific. Yet with all its wealth and untold resources, its large timber limits, its arable lands and its minerals, we seen to be at a standstill and cannot attract the population we have a right to expect. Those who have left Canada for the United States have done so for what they considered good reasons; and the foremost reason was that they were unable to find employment at home. The crying need of this country is

an opportunity for people seeking employment to obtain suitable work whereby to earn enough to maintain themselves and their families. The labour problem is a most important one for the country to cope with. And in so many respects this government has failed to give to the labourers, to those seeking employment, the protection they should have.

Let me point out how in three substantial respects this government has failed to deal with the question of labour, and failed thereby to maintain in the country the population which we should have. In the first place, Canada fails to manufacture for its own people, to the extent that it should, the natural supplies which are needed. Secondly, we allow the removal from the country, in raw or only slightly manufactured form, of the natural resources of the Dominion. And we fail to encourage the manufacture of our raw material for our own use. Let me illustrate what I mean when I say that we fail to manufacture in this country, for its own use, the natural supplies which the country needs. We imported for consumption last year over $500,000,000 of manufactured goods, a large portion of which should have been manufactured in Canada. We have been discussing the woollen industry at some length, and the claim made by those engaged in that industry for protection. Apparently the protection which existed before the proposed change in the tariff was not sufficient to conserve the woollen industry to the manufacturers of Canada, for we imported last year in woollen goods, not including raw wool, products to the value of $43,000,000. Of iron and its products our imports totalled $248,000,000. That includes automobiles and parts, $65,000,000; machinery $46,000,000; farm implements $26,000,000; engines and boilers $16,000,000. We also imported electrical apparatus to the extent of $18,000,000. All these goods, or at any rate a very large proportion of them, could have been manufactured in Canada, and as a matter of fact they would be manufactured here if the government would only give to the industries engaged in their production reasonably sufficient protection. These goods to which I have referred amount in all to $300,000,000. If only half of that amount had been manufactured in this country, estimating at 50 per cent the wages which would enter into their production, there would have been expended in Canada in employment and wages $75,000,000.

Even the farmers of Canada are not protected as they should be. One would have thought that this country was the last word in agricultural production; yet we find that under all the trade treaties, which apparently will not prove satisfactory, we imported last year, of the three items, eggs, meat and butter, $9,500,000 worth. Tobacco has been discussed in this debate; and of tobacco, unmanufactured, we imported $7,000,000. Of fresh fruits we imported $24,000,000. Of course many fruits included in these exports we do not grow in Canada; I have been unable, therefore, to make the necessary classification. At any rate, the imports of fruits of the varieties produced here form a substantial part of this amount, and certainly we could produce them in Canada.

Now I come to the question of exports. We export far too much of our raw material, material which should be worked up and manufactured in this country. Here again Canada has lost considerably by its failure to provide opportunities for labour in the manufacture of these goods. I notice that our exports of grain products amounted to $447,000,000; while metals amounted to $154,000,000; wood, unmanufactured, $101,000,000; and paper, $129,000,000, making a total export in these four classes of $831,000,000. The paper represents resources which are certainly not inexhaustible, and unmanufactured wood is in the same category. This exportation of wood and paper means a drain on our natural resources, which we shall not be able to replace within a limited time. The metals of course have gone, but we have so many opportunities of investigating the possibilities of our hidden metals in Canada that possibly we shall not feel this very seriously. Of grain, our main export was wheat, $339,000,000, and wheat flour, $60,000,000, making a total of $399,000,000. Only 8 per cent represents the manufactured article; the rest is exported in the raw condition to other countries where the work of preparing it for use provides employment for foreign labour.

Under the third head, there are industries which should be developed in this country. If this were done a large amount of employment would be provided for labour here. The coal industry is one that should be dealt with; in fact, it must be dealt with. It has been much discussed but apparently no solution for the question of moving coal from the eastern and western sections of the country to Ontario and Quebec has yet been proposed. It is, however, only a question of time before this will have to be done. It seems most unfortunate, however, that in the meantime we should be purchasing in another country the coal which we need to maintain our industries and supply our homes. We

imported last year from the United States $53,000,000 worth of coal, which under proper management could have been taken from our own mines and applied to our own industry.

I shall discuss only one of the many changes which are proposed in the tariff resolutions before the house, and I refer to this matter only because it affects an industry in my own city. I have reference to the weaving of yarn. We had some assurance last year from the government, represented at the time by the Minister of Railways (Mr. Dunning), that no attempt would be made to interfere with existing industry. The statement which was presented to the house had been carefully prepared and it was read by the Minister of Railways representing, as I say, the government. I presume it was intended to appease the Liberal-Progressive element in the house. This is what the Minister of Railways said:

> We shall move forward cautiously with the aid of knowledge of the facts secured by the tariff advisory board toward the goal of making our tariff structure bear as lightly as possible on production, industry and the people generally—

That is something of which probably all of us could approve; it is a vague, general statement. But this is more specific:

> —having always in view the greater prosperity of all the legitimate industries of Canada.

With the present proposed tariff changes before us, can it be said that these changes are made with a view to the greater prosperity of all the legitimate industries of Canada?

There has been a good deal of discussion during this debate in connection with the woollen industry, and the proposed reductions have met with a very general opposition. I refer particularly to the weaving yarns, because that is an industry which exists in my own town, employing some 180 people. There are other workers engaged in that line in my city, but they are employed in the carpet and rug business, which I understand is not affected by this tariff. What does this mean? Certainly it means that this industry in Canada will have to face increased competition, which will be a hardship on the manufacturer but will result in a greater hardship on those engaged in the shops carrying on that business. The working man is the one affected most by these tariff reductions which interfere with that industry. To the manufacturer it means a reduction in salary, a reduction in dividends and perhaps even the passing of a dividend, which is a very serious matter to him. To the worker, however, it means a reduction of wages or a lay-off from work, because he is the primary sufferer from anything which interferes with the production of the article in the manufacture of which he is engaged, and it is the workmen for whom I feel the greatest regret. I know many of them in Peterborough and I know how they have been affected already by the conditions obtaining in the woollen industry. They have not been working full time as it is, and this is simply going to add an additional hardship to those under which they have been labouring for some time past. I trust that the matter will receive further consideration before these tariff changes are adopted by the house; I believe something should be done to help those people to whom I refer.

I can only say in conclusion, Mr. Speaker, that I intend to support the amendment proposed by the hon. member for St. Lawrence-St. George (Mr. Cahan).

On motion of Mr. Laflamme the debate was adjourned.

On motion of Mr. Robb the house adjourned at 10.05 p.m.

Monday, March 12, 1928

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated with an asterisk.)

CANADIAN NATIONAL RAILWAYS—DETROIT RIVER FRONTAGE LEASE

Mr. ROBINSON:

1. Has a lease been granted Mr. Walford, or any other party, of river front property in Walkerville or Windsor, by Canadian National Railways?
2. If so, what is the date of the lease?
3. What is the term of the lease?
4. What is the rent payable per annum?
5. For what purpose was the lease granted?

Mr. DUNNING:

1. Yes.
2. November 1, 1927.
3. Twenty years, with option of renewal for another period of twenty years.
4. $100 plus taxes.
5. Erection of warehouse.

ALBERTA COAL LEASES—RENTAL ARREARS

Mr. GARLAND (Bow River):

1. What is the total amount of arrears of rental on coal leases in the province of Alberta?
2. What is the total amount of arrears of rental on the undeveloped coal leases in the province of Alberta?

Mr. STEWART (Edmonton):

1. $187,886.93.

2. $160,512.95.

HORSE BREEDERS' CLUBS

Mr. COOTE:

1. How many horse breeders' clubs were in operation under the scheme for federal assistance to horse breeding during the fiscal year 1926-1927?

2. How many stallions of each breed were hired under this scheme?

3. In how many cases in each breed were the fees reduced by the department by changing contracts between stallion owners and clubs?

4. In how many cases were the fees increased by the department between stallion owners and clubs?

5. What amount was actually paid to clubs?

6. What was the total cost of administration of this scheme?

7. What was the total cost of inspection of horses under this scheme?

8. How many inspectors were employed and what was the total remuneration?

9. Are any inspectors employed who are in the business of buying, selling or hiring stallions under this scheme?

10. Is it necessary to inspect the same stallions year after year as is now being done?

Mr. MOTHERWELL:

1. 159.

2. Clydesdales 95, Percherons 44, Belgians 22, French Canadian 1.

3. Clydesdale 24, Percheron 8, Belgian 5.

4. None.

5. $45,909.44.

6. $4,462.27.

7. $4,462.27.

8. Three Inspectors. Remuneration at rate of $10 per day for incidental services totalled $3,010.

9. No stallions hired by inspectors. Impossible to give information regarding inspector's private business.

10. Stallions only inspected when necessary. They are not all inspected every year.

FLIN FLON MINE—TOWNSITE

Mr. CAMPBELL:

1. Has the government been approached on the question of providing a townsite at the Flin Flon mine in Manitoba?

2. Is it the purpose of the government to place this townsite on the market so that building lots may be available for sale or lease to private individuals, or, is it the intention to give the mining company a monopoly of this townsite?

Mr. STEWART (Edmonton):

1. Yes.

2. The government has not yet decided what action will be taken.

AUSTRALIAN CHEESE—IMPORTATIONS

Mr. FAFARD:

What quantity of cheese was imported from Australia since the Australian treaty is in force?

Mr. MALCOLM: 3,420 pounds.

BUTTER AND CREAM—EXPORTS 1927

Mr. FAFARD:

1. What quantity of butter and cream was exported to the United States during the year 1927?

2. What quantity of butter was exported to England during the year 1927?

3. What quantity of butter was exported to other countries during the same year?

Mr. MALCOLM:

1. Butter—Canadian produce, 330,700 pounds; Foreign produce, 800 pounds; Cream—Canadian produce, 4,044,073 gallons; Foreign produce, nil.

2. Butter (to United Kingdom)—Canadian produce, 48,700 pounds; foreign produce, nil.

3. Butter—Canadian produce, 2,316,600 pounds; foreign produce, 1,300 pounds.

POSTAL HELPERS—MONTREAL APPOINTMENTS

Mr. EDWARDS (Frontenac-Addington):

1. How many persons were appointed as postal helpers in Montreal during the months of May and June, 1925?

2. Were applications for such positions invited by the Civil Service Commission?

3. How many applications were received?

4. Were appointments made on the recommendation of the Civil Service Commission?

5. How many applications were received from men who had seen active service overseas, and how many of such men were appointed?

6. Was an application received from Mr. Waverley Talbot who had been in active service overseas and who lost a brother in the war?

7. Was Waverley Talbot appointed to a position as postal helper in Montreal, and if not, why?

Mr. VENIOT:

1. None.

2, 3, 4, 5. See answer to No. 1.

6. No.

7. See answer to No. 6.

PUBLIC WORKS DREDGES—OFFICERS LEAVE

Mr. McQUARRIE:

1. Are officers of the dredges and snagboats of the Public Works Department operating out of the port of New Westminster, allowed two weeks' annual leave with pay?

2. Are men employed on same boats allowed annual leave with pay?

3. If officers are, and men are not allowed leave, what is the reason for the discrimination?

4. On what dates during the fiscal years 1926-27 and 1927-28 did the department grant

leave of absence to Chief Engineer T. C. Walker, Public Works dredge 303: (a) annual leave; (b) sick leave; (c) special leave?

5. Did the department grant Walker permission to be absent from duty on any other days during the fiscal years 1926-27 and 1927-28?

6. If so, on what dates and for what purpose?

Mr. ELLIOTT:

1. Yes, if in continuous service for twelve months.

2. No.

3. Officers are employed by the year and other members of the crews are employed by the season at current rates. Practice followed by this department is the same as that in the mercantile marine and the Department of Marine.

4. (a) 1926-27, July 5th to July 18th, 1926. 1927-28, July 4th to July 17th, 1927. (b) Nil. (c) Nil.

5. No.

6. Answered by No. 5.

QUESTIONS PASSED AS ORDERS FOR RETURNS

INSERTION IN HANSARD OF RETURNS TABLED FORTHWITH

Mr. BENNETT: Mr. Speaker, when questions are converted into orders for returns and the returns thereto are tabled forthwith, might I ask the right hon. the Prime Minister to have the returns so tabled printed as answers to the questions that they may be available in Hansard.

Mr. MACKENZIE KING: Yes, certainly.

PUBLIC BUILDINGS—FUEL

Mr. MacDONALD (Cape Breton South):

1. From whom was the fuel purchased for the purpose of heating the Connaught building during the heating system of 1926-27?

2. What type of fuel was bought, what was price per unit, total quantity, and total cost?

3. What other expenses were incurred in heating the Connaught building during the 1926-27 season, and what was total cost of heating?

4. From whom was the fuel purchased for the purpose of heating the Hunter building during the heating season of 1926-27?

5. What type of fuel was bought, what was price per unit, total quantity, and total cost?

6. What other expenses were incurred in heating the Hunter building during the 1926-27 season, and what was total cost of heating?

7. From whom was the fuel purchased for the purpose of heating the Victoria Memorial Museum during the heating season of 1926-27?

8. What type of fuel was bought, what was price per unit, total quantity, and total cost?

9. What other expenses were incurred in heating the Victoria Memorial Museum during the 1926-27 season, and what was total cost of heating?

10. From whom was fuel purchased for the purpose of heating the Daly building during the heating season of 1926-27?

11. What type of fuel was bought, what was price per unit, total quantity, and total cost?

12. What other expenses were incurred in heating the Daly building during the 1926-27 season, and what was total cost of heating?

13. What is the cubic content of buildings served by the heating plants in the following buildings: Connaught building; Hunter building; Victoria Memorial Museum; Daly building?

PER CAPITA CONSUMPTION OF BUTTER, ETC.

Mr. EDWARDS (Frontenac-Addington):

1. What is the estimated per capita consumption in Canada of: butter, cheese, eggs, meats, potatoes, and wheat (wheat flour to be included in wheat and represented by its equivalent in bushels)?

2. In regard to each of the above for the calendar year 1927, what was the total (a) Canadian production; (b) exports from Canada; (c) imports into Canada?

3. What were the rates of duty as at December 31, 1927, imposed on each of the articles mentioned above by Canada, Australia, New Zealand, and the United States?

4. What quantities and values of each of the above articles were imported into Canada from Australia, New Zealand, and United States, and exported by Canada to those countries in the year 1927?

Mr. MALCOLM: Order for return tabled herewith.

Return to an order of the House of Commons, dated 12th March, 1928, for a return showing:

1. The estimated per capita consumption in Canada of: butter, cheese, eggs, meats, potatoes, and wheat (wheat flour to be included in wheat and represented by its equivalent in bushels).

2. In regard to each of the above for the calendar year 1927 the total (a) Canadian production; (b) exports from Canada; (c) imports into Canada.

3. The rates of duty as at December 31, 1927, imposed on each of the articles mentioned above by Canada, Australia, New Zealand, and the United States.

4. The quantities and values of each of the above articles imported into Canada from Australia, New Zealand, and United States, and exported by Canada to those countries in the year 1927.

1. Estimated per capita consumption for food of undermentioned articles in Canada:

Articles	Consumption
Butter, pounds	28.54
Cheese, pounds	3.92
Eggs, dozen	28.2
Meats, pounds	162.27
Potatoes, bushels	5.0
Wheat, bushels	4.7

2.

Canadian Production, Imports and Exports of Undermentioned Articles

Articles	(a) Production	(b) Exports Canadian Produce	Foreign Produce	(c) Imports
Butter, pounds	272,209,287	2,696,000	2,100	11,208,819
	$ 90,006,167	$ 1,068,610	$ 836	$ 3,892,640
Cheese, pounds	172,248,376	110,533,000	3,200	1,720,797
	$ 28,888,081	$ 22,012,543	$ 1,678	$ 590,364
Eggs, (in the shell), dozen	253,277,000	448,206	29,640	3,226,645
	$ 80,110,000	$ 168,063	$11,480	$ 1,404,164
Eggs, (n.o.p.), pounds	.....	.....	.....	2,025,039
	.....	.....	.....	$ 462,897
Meats	$167,127,091	$ 26,293,881	$ 2,914	$ 4,252,772
Potatoes, bushels	77,430,000	7,686,992	118	503,892
	$ 54,341,000	$ 7,855,565	$ 122	$ 800,127
Wheat (including equivalent of flour), bushels	440,024,700	296,745,437	22	445,294
	$439,340,000	$399,890,659	$ 95	$ 694,223

Import and export figures are for the calendar year 1927.
Production of eggs, potatoes and wheat for calendar year 1927.
Production of butter, cheese and meats for calendar year 1926.
Meat production figures are packing-house returns. It is estimated that an equal amount of meat is produced by slaughtering and curing operations on farms and in small local plants that do not report.

3.

Australian Customs Tariff

Item No.		British Preferential Tariff	General Tariff
41-A.	Butter and cheese ..per lb.	3 pence; but rate of 6 pence effective since November 25, 1927, under proposed tariff amendment.	3 pence; but rate of 7 pence effective since November 25, 1927, under proposed tariff amendment.
50.	Eggs, in shell ..per dozzen.	6 pence.	9 pence.
37.	Bacon and hams, partly or wholly cured ..per lb.	3 pence.	4 pence.
74-A.	Meats, poultry and game, fresh or smoked ..per lb.	2 pence.	2½ pence.
74-B.	Meats, poultry and game, potted or concentrated, including extracts of, and meat jellies ..ad val.	30 per cent.	40 per cent.
74-C.	Meats, poultry and game, preserved in tins or other airtight vessels, including the weight of liquid contents ...per lb.	2 pence.	2½ pence.
74-D.	Meats, poultry and game, preserved by cold process ..per lb.	2 pence.	3 pence.
74-E.	Meats, poultry and game, not elsewhere included in any item of the complete tariff ..per cwt. (112 lbs.).	5 shillings.	6s. 6d.

Australian Customs Tariff.—*Concluded.*

Item No.		British Preferential Tariff	General Tariff
83.	Potatoes, in their natural state.. .. .. per cwt. (112 lbs.).	1 shilling; but rate of 2s. 6d. effective since November 25, 1927, under proposed tariff amendment.	1 shilling; but rate of 2s. 6d. effective since November 25, 1927, under proposed tariff amendment.
57-A.	Wheat (not prepared or manufactured) per cental (100 lbs.).	free.	2 shillings.
58-B.	Wheaten flour.. ..per cental (100 lbs.).	free.	2s. 6d.

Great Britain and Northern Ireland and the Irish Free State are accorded the British preferential tariff. New Zealand is accorded the British preferential tariff with some modifications. Other countries are under the general tariff.

New Zealand Tariff

There is a primage duty of 1 per cent ad valorem in addition to rates quoted.

Item No.		British Preferential Tariff	General Tariff
61.	Butter, cheese, eggs (as unspecified provisions).. .. ..ad val.	20 per cent.	40 per cent.
25.	Bacon and hams.. .. ..per lb.	2 pence.	4 pence.
49.	Meats, potted or preserved.. ..ad val.	20 per cent.	40 per cent.
61.	Meats, unenumerated (as unspecified provisions).. .. ..ad val.	20 per cent.	40 per cent.
8.	Potatoes.. .. .. ..per ton (2,240 lbs.).	£1	£1
4-(2)	Wheat (unground and unmanufactured), when value is 5s. 6d. per bushel (60 lbs.).. .. ..per bushel.	1s. 3d.	1s. 3d.
	Wheat (unground and unmanufactured), when value exceeds 5s. 6d. per bushel, for each ½ penny (or fraction thereof) in excess of that value, duty to be reduced.. .. ..per bushel.	½ penny.	½ penny.
	Wheat (unground and unmanufactured), when value is less than 5s. 6d. per bushel, for each ½ penny (or fraction thereof) reduction in that value, duty to be increased.. .. .. ..per bushel.	½ penny.	½ penny.
5-(9)	Wheat flour, when value is £13 10s. per ton (2,000 lbs.)....per ton (2,000 lbs.).	£3 10s.	£3 10s.
	Wheat flour, when value exceeds £13 10s. per ton, for each shilling or fraction thereof in excess of that value, duty to be reduced.. .. ..per ton.	1 shilling.	1 shilling.
	Wheat flour, when value is less than £13 10s. per ton, for each shilling or fraction thereof reduction in that value, duty to be increased...per ton.	1 shilling.	1 shilling.

Special regulations govern wheat flour values.

The British preferential tariff applies to British dominions with some modifications for Australia and the Union of South Africa. Other countres are under the general tariff

[Mr. Malcolm.]

United States Tariff

709. Butter, 12 cents per pound.

710. Cheese by whatever name known, having the eye formation characteristic of the Swiss or Emmenthaler type, 7½ cents per pound, but not less than 37½ per centum ad valorem. Other cheese, 5 cents per pound, but not less than 25 per centum ad valorem.

713. Eggs of poultry, in the shell, 8 cents per dozen.

701. Fresh beef and veal, 3 cents per pound.

702. Fresh mutton and goat meat, 2½ cents per pound; fresh lamb, 4 cents per pound.

703. Fresh pork, three-fourths of 1 cent per pound; bacon, hams, and shoulders, and other pork, prepared or preserved, 2 cents per pound.

704. Reindeer meat, venison and other game (except birds) not specially provided for, 4 cents per pound.

706. Meats, fresh, prepared, or preserved, not specially provided for, 20 per centum ad valorem.

712. Birds, dead, dressed or undressed: Poultry, 6 cents per pound; all other, 8 cents per pound; all the foregoing, prepared or preserved in any manner and not specially provided for, 35 per centum ad velorem.

769. White or Irish potatoes, 50 cents per one hundred pounds.

729. Wheat, 42 cents per bushel of sixty pounds; wheat flour, $1.04 per one hundred pounds.

4.

(a) Imports of Undermentioned Articles from Australia, New Zealand and United States, during the Calendar Year 1927

	From Australia	From New Zealand	From United States
Butter ..Pounds	376,096	8,714,985	104,236
$	135,160	3,023,801	43,216
Cheese ..Pounds	3,150	128,567	572,704
$	592	24,247	216,887
Eggs in the shell.. Dozen	—	—	3,171,116
$	—	—	1,382,516
Eggs, n.o.p. ..Pounds	—	—	728,918
$	—	—	177,862
Meats .. $	142,882	52,455	3,389,116
Potatoes ..Bushels	—	—	503,400
$	—	—	799,249
Wheat (including equivalent of flour).Bushels	—	—	357,633
$	—	—	657,402

(b) Exports from Canada of Undermentioned Articles to Australia, New Zealand and United States, during the Calendar Year 1927

Articles	To Australia		To New Zealand		To United States	
	Canadian Produce	Foreign Produce	Canadian Produce	Foreign Produce	Canadian Produce	Foreign Produce
Butter ..Pounds	—	—	—	—	330,700	800
$	—	—	—	—	121,805	330
Cheese ..Pounds	—	—	—	—	13,282,600	3,200
$	—	—	—	—	2,530,713	1,678
Eggs ..Dozen	—	—	—	—	1,711	29,640
$	—	—	—	—	736	11,480
Meats.. $	—	—	—	—	12,187,570	405
Potatoes ..Bushels	—	—	—	—	5,007,966	116
$	—	—	—	—	4,693,389	114
Wheat (including equivalent of flour)..Bushels	1,544	—	116,520	—	7,757,130	—
$	2,807	—	162,259	—	9,857,275	—

UNOPPOSED MOTIONS FOR PAPERS

IMPOSITION OR ABROGATION OF DUTY ON FISH

Mr. ERNST:

For a copy of all correspondence, letters, telegrams, or other documents of whatsoever nature, between the Department of Customs, the Department of Marine and Fisheries, the Department of Trade and Commerce, the Department of Justice, and/or any other department of the government, and any person or persons, corporation or corporations, respecting the imposition or abrogation of duty on fish landed in Canada by steam trawlers other than those of Canadian registry; and for a copy of all or any orders in council in relation thereto.

OTTAWA BUILDINGS RENTED BY GOVERNMENT

Mr. COOTE:

For a return showing the number of buildings rented by the government in Ottawa; the names of buildings, if any; the parties from whom they are rented; the term for which they are rented; the amount of floor space, if known, and the annual rental in each case.

LAKE ST. FRANCIS WATER-POWER

Mr. CAHAN:

For a copy of all applications which have been made for licenses, permits, or any other form of authorization by the government, or any department thereof, for permission to divert the waters of lake St. Francis by a canal or canals, and to discharge such waters so diverted into lake St. Louis for the purpose of thereby producing or generating hydro-electric energy, with a copy of the reports thereon by the engineers or other experts of any department of government, and also a copy of all department reports, orders in council, documents, and correspondence relating thereto, with a copy, so far as available, of all general maps or plans of such proposed diversions of waters and of the hydro-electric works proposed to be constructed in connection therewith.

INVESTIGATIONS BY MR. PLOUFFE

Mr. SIMPSON:

For a return showing—1. The number of investigations made by Joseph A. S. Plouffe, of Sudbury, under his commission dated March 24, 1926, appointing him a commissioner to investigate charges of political partizanship against government employees in the province of Ontario.

2. A list giving the names, addresses and occupations of employees whose conduct was investigated, together with a copy of the report of the commissioner in each case.

3. A statement showing the salary allowance and travelling expenses paid or to be paid to Mr. Plouffe in connection with the said investigation.

ORIENTAL IMMIGRATION

Mr. McQUARRIE:

For a copy of all correspondence, letters, telegrams or other documents which have passed between the government of the province of British Columbia and the federal government, or between any ministers, deputy ministers or other officials of the said governments, respectively, since the 8th day of May, 1922, in reference to oriental immigration or in reference to curtailing activities of orientals already in Canada.

BOLSHEVIST COMMUNIST OR ANARCHIST SCHOOLS

Mr. GUERIN:

For a copy of all correspondence, letters, telegrams, reports, memoranda, or other documents of whatever nature between the government, any department or any officer, with regard to bolshevist, communist or anarchist schools in Canada.

Mr. LAPOINTE: Mr. Speaker, such correspondence as is mentioned in this motion is of a highly confidential nature, and it would not be in the public interest to publish it. Therefore I would ask my hon. friend to agree to the motion being dropped.

Mr. GUERIN: I have no alternative, Mr. Speaker, but to withdraw the motion.

Mr. DEPUTY SPEAKER: Dropped.

PROFITS OF INDUSTRIAL ORGANIZATIONS

On the motion of Mr. Kennedy:

For a return showing—

1. All increases made to capital from profits in the form of stock dividends or in any other form whatsoever.

2. The profits reported by all industrial organizations as to: (a) gross profits (per cent) on nominal capital; (b) gross profits (per cent) on actual cash invested in each case exclusive of bonus stock dividends; (c) net profits (per cent) as to nominal capital; (d) net profits (per cent) on actual cash invested in each case exclusive of bonus stock dividends.

Mr. MACKENZIE KING: I think the motion had better stand until the Minister of Finance (Mr. Robb) is here. In the meantime, however, I may observe that I doubt very much whether it would be possible, even if the government were to consent, to the resolution being carried, to obtain the information which is requested. The order is a pretty large one.

Motion stands.

SITUATION IN IRAK

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Has any communication passed between the Dominion government and the British government in connection with the trouble in Irak?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There are communications on the subject.

Mr. ADSHEAD: Will they be tabled?

Mr. MACKENZIE KING: Their object is to keep the government informed on the question and I imagine the British government would regard them as confidential. However, I shall be pleased to communicate with the British government and if there is no objection to their being brought down they will be tabled.

ANTI-ORIENTAL PROPAGANADA

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): A number of hon. members have been receiving anti-oriental propaganda through the mails. I notice one communication under the question "Must B.C. Secede?" The argument centers around the following statement:

The Dominion collects the head tax while the province of British Columbia carries the burden.

Is it true that a head tax is collected on any of the various groups of orientals who are here or on those who may be entering Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): As I recollect, a few sessions ago this parliament passed an act abolishing the head tax. There is therefore no head tax to collect.

QUESTIONS—ANSWERS IN DUPLICATE FOR MEMBERS

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): With reference to questions which are answered, may I ask that if possible copies of the answers be furnished at the time the original documents are tabled? Otherwise hon. members have to wait until the next day before they can ascertain what the answers are.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As a general rule questions are answered in duplicate or triplicate, the purpose being to have hon. members supplied with copies. If this rule is not followed it is an oversight which will be remedied.

Mr. McQUARRIE: I asked to-day for a copy of an answer to a question of mine and I was informed that I could not get it.

Mr. MACKENZIE KING: Was the question answered?

Mr. McQUARRIE: Yes.

Mr. MACKENZIE KING: I understand the page is distributing the answers at the present moment.

Mr. McQUARRIE: I sent one of the boys for a copy and he said he could not get it.

Mr. LAPOINTE: The boy was wrong.

MALONECK POST OFFICE

On the orders of the day:

Mr. M. N. CAMPBELL (Mackenzie): On February 13 this house passed an order standing in my name for a copy of all correspondence, letters and other documents in connection with the removal of the post office of Maloneck, Saskatchewan, from the residence of Mr. W. S. Jones to another part of the district. The papers I have received, under "Sessional papers, 145," are obviously incomplete, and I placed a question on the order paper. The answer appears in Hansard of March 7 and it shows very clearly that other papers in addition to these are in the hands of the department. I would ask that the order of the house be carried out.

Hon. P. J. VENIOT (Postmaster General): What is the number of the order?

Mr. CAMPBELL: The number of the order is Reference 25, Sessional Paper 145.

FRENCH TARIFF

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I desire to ask the Minister of Trade and Commerce (Mr. Malcolm) whether or not, as a result of the new tariff law passed by the republic of France with respect to importations of Canadian goods, the commercial treaty between Canada and France is thereby abrogated.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I have no intimation that the treaty between Canada and France will be abrogated as a result of the new French tariff.

DEPARTMENT OF THE INTERIOR

REPORT OF MR. ALEXANDER SMITH, K.C.

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): When will my hon. friend, the Minister of the Interior (Mr. Stewart), lay on the table Mr. Alexander Smith's report on Department of Interior affairs?

Hon. CHARLES STEWART (Minister of the Interior): The report has not yet been presented. I inquired this morning and was informed that it will be submitted some day this week, when I shall be glad to table it.

THE BUDGET

DEBATE ON ANNUAL FINANCIAL STATEMENT OF MINISTER OF FINANCE

The house resumed from Friday, March 9, consideration of the motion of Hon. J. A Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Cahan and the amendment to the amendment of Mr. Fansher (East Lambton).

Mr. LEO K. LAFLAMME (Montmagny) (Translation): Mr. Speaker, I had a notion of making use of the English language to express the few remarks that I wished to make to-day. However, when I think that there are still, in this house especially, hon. members who propound the fallacy of a one language country, I deemed it my duty to make use of my native tongue, in order to prove to them that we are really living in a bilingual country.

I do not presume at this stage of the debate, to put forth entirely new arguments or to be the first to discuss certain phases of the budget speech. However, I cannot let the opportunity slip by of congratulating the hon. Minister of Finance (Mr. Robb), on his budget proposals, also the government on the present state of affairs, as the favourable financial statement of the country shows. On the whole, the great majority of Canadian people are satisfied with the situation such as it is. An outstanding proof of this, is the numerous speeches of our Conservative friends who attempt to destroy, by the multiplicity of incongruous and incoherent criticisms, often without foundation, the good effect of the present budget proposals. I may state that in my riding most of the people are satisfied, realizing that our government has made genuine efforts to remedy the difficult situation in which our opponents had left the country's finances, in 1921. Confidence again was restored the moment they heard that the hon. Minister of Finance (Mr. Robb), was announcing surpluses, for instance that of $42,000,000 for this year. The decrease of the national debt by $105,000,000, in the course of the last five years of the Liberal regime, is not of a nature to shatter the hopes of Canadians. Once more our people breathe easier. Realizing the enormity of a debt created not only by an exaggerated participation in the war, but by the wastefulness of public money, by a government caring little for the time-honoured interests of the people, Canadians now understand better the wisdom they showed in placing their hopes in the Liberal party. In the past, it was under the Liberal rule that the people saw prosperity give rise to the hope of a brilliant century for Canada. To-day, they rejoice in seeing those who advocated a liberal policy for the masses, tackling a depressing financial situation, struggling courageously to solve the problem, while giving the greatest possible relief by decreasing the taxes.

According to our Conservative friends, the people are not justified in placing their confidence in this administration. Everything is going wrong, they say. Yet, if we study the financial statements of the various institutions, we find that last year was a very prosperous one. I am going to quote from the Canadian Pacific's review "Agricultural and Industrial Progress in Canada" of February last:

> The increasing ability of Canada to absorb her own bonds has been a feature of the past few years as the energetic efforts of the post-war period bore fruit in greater prosperity for the Dominion and its people.

A little further on:

> Canada has worked energetically and steadily to overcome the handicaps resulting from her participation in the war, and it is gratifying to note the reward of such effort. Youthful and with her wealth of resources barely tapped, Canada is a wealthy nation. Considering she has but finally emerged from the depression and, in the opinion of industrial and financial leaders is on the threshold of an era of unparalleled development, the future holds boundless possibilities for her and her people.

But I think enough has been said to establish that Canada is on the road to the greatest prosperity ever experienced.

Our opponents seem to nurse a grudge against the department of Immigration. Although they have only discovered the case of McConachie—a case deserving sympathy—they blame the hon. Minister of Immigration (Mr. Forke), because all the efforts of the department were of no avail in keeping all the immigrants here, and stemming, at the same time, the emigration of our people. On this score—I have already had occasion of pointing it out—I see no necessity of bringing here more immigrants unless they are genuine settlers, capable of becoming true Canadians. I fail to understand why it is necessary to bring here young Englishmen and teach them to love farming.

First, very few of those born among the industrial classes, succeed on the farm. I rather think that something ought to be done to encourage those of our people who, for one cause or another, wish to continue farming life somewhere outside their native province. By making grants to transportation companies who are more interested in numbers than in quality, we still persist in the error which strikes us to-day, in that connection: consider-

able sums are spent and we do not reap the benefit expected. First and above all, let us give Canadians the same facilities as we give to foreigners.

Rural credit is certainly called upon to render appreciable services to the farming class. We already have, in the province of Quebec, an admirable institution: the "Caisses populaires" (people's savings banks)—which I would like to see better understood and more numerous—which have rendered and are still rendering great services to our farmers.

There is also our educational system which, especially in the business colleges, does not lend itself sufficiently to the training of young people for the farm. We have noted this deficiency and the harm wrought, and we are trying to remedy it. All depends on this: teach the young men to cultivate a taste for the land because it is the principal wealth, the national domain, pre-eminently; endeavour to have then understand its primary usefulness; impress on them what better returns they may have from the land, by having recourse to better methods. That is the ideal towards which our educational system should tend.

How many times have I noted the benefit derived from the putting into practice of the modern teachings on agriculture? The success of one would make the hesitation of others fade away and, by the means of examples, in a few years we would be astonished to see the improvement which has taken place. Speaking more especially in behalf of my district, I would ask the hon. Minister of Agriculture (Mr. Motherwell), not to discontinue the services of the Seed Control Board, at Quebec. Our farmers have already greatly benefited from it. If they are somewhat backward in taking advantage of these services, we must not forget that we should proceed slowly in the propaganda of modern methods of farming, if we wish their success.

I can but congratulate the hon. Minister of Agriculture (Mr. Motherwell) and his department, which encourages sheep raising by granting subsidies.

The hon. member for Parkdale (Mr. Spence), was rather in a humorous mood the other day, and seemed to be sympathetic as to the lot of the Quebec farmers, which was in contrast to certain statements made previous to the Winnipeg convention, last autumn. He said:

> But under the Australian treaty the business is suffering so seriously that it will not be long now before the only thing we shall have to eat will be Australian mutton. We shall not be able to produce a lamb chop in Canada; that will be a luxury reserved entirely for the millionaire.

I might tell the hon. member for Parkdale (Mr. Spence) that, thanks to the assistance given by the department of Agriculture, our people in Quebec have understood the advantage there was for them to take up sheep raising, and that in my county, the four central parishes—Notre-Dame-du-Rosaire especially—made a start, not very long ago, in raising sheep; last year their sheep were graded as first quality on the Montreal market. They will not rest satisfied even at that, this year we shall have a finer and larger number of sheep.

To help to increase our population and keep our people in this country, the governments—federal and provincial—must unite in a strenuous educational campaign. They will soon notice that the money thus spent is not a loss, and with the same assistance granted to Canadian settlers, special personal transportation rates and free grants of land as well as pecuniary or farming assistance during the first years, the problem will have soon lost of its magnitude.

I see no necessity of accepting the suggestions prompted by our interested and distinguished visitors—among others the Secretary of State for Dominion Affairs—who seems to want to direct our course in immigration matters. Our authorities are sufficiently well posted to know what should be done to solve our problems. As for us, we have not the boldness to suggest a solution to the problems which these visitors have themselves in their own country.

Our opponents have done much talking about ruin, unemployment, closed mills and further works stopping after the budget was put into force. Unemployment is far more felt in other countries than it is among us, and to give weight to what the hon. members on this side of the house have said in regard to the United States, we have the statement of the Prime Minister of England, made in the House of Commons, on February 13, last: that there were a million unemployed in England. It is true, that in the town of Montmagny, within my riding, the doors of a large plant have been closed since a few years, but I have no fear of stating that it is not because we have had no protection. It would be desirable that its doors opened again, and if the government—not by raising the tariff—could help us, we should feel very thankful. There are others which are prosperous, esepecially since the Liberal party is in power. The fears of a certain manufacturer that the coming into power of the Liberals would mean the closing of his factory

doors have been changed into unbounded hopes, since in 1927 he enlarged his plant and intends to further extend it this year.

Again referring to the criticisms of the Conservatives: according to statistics, the dairy industry has increased in 1927. Milk production amounted to 13,407,340,237 pounds against 12,651,388,490 pounds in 1926. Moreover the amount of cream amounted to 4,148,469,498 pounds and that of butter 2,223,950,000 pounds. Our best market is the United States. Still quoting the Canadian Pacific's review on this matter, we find that the statements of our opponents do not coincide with actual facts:

So far from anything being wrong with the Canadian dairy industry, it is in sound shape, being worth, according to estimate, $250,000,000 per year, which makes it one of the most valuable branches of Canadian agriculture. The existing situation and that forecast justify considerable expansion, and that Canadian dairymen are awakening to the opportunity is frequently made apparent. The number of cows on farms in Canada in 1927 showed a gratifying increase, while the Dominions recently produced a new world champion producer in butter fat. Both Ontario and Quebec dairymen have formed associations the better to engage in the shipment of milk and cream to the United States. There is unquestionably a profitable future ahead for those engaging or coming to engage in dairy production in Canada.

They bitterly complained that our favourable balance of trade had decreased in 1927. If it is but $131,218,843 this year, there is no cause for alarm. Quoting again from the same source, we find the explanation:

The reduction in this balance occasions no uneasiness, but on the contrary is accepted as a healthy sign since it is stated to be accountable to the great increase in construction in Canada. The purchase of machinery and construction material has swelled imports, while many people have been engaged in building construction who would otherwise be producing goods for export.

Like the hon. member for Beauharnois (Mr. Raymond) did, I wish to draw the attention of the hon. minister for Defence (Mr. Ralston), to the proposed estimates of his department. No doubt, we must adopt modern means, such as aviation, but let us not increase our expenditure as regards to armament, when other countries speak of disarmament and when England reduces its estimates in that respect, let us not increase our estimates to make up for England's deficiency on that score. If we have too much money, let us think of Quebec. Our province has not had its due share in railways.

As to the income tax, I think that we cannot possibly dispense with it now. We have to pay off a large debt and everybody has to contribute. Personally, I am in favour of increasing the limit of exemption so that those who have large incomes will pay their share. Everybody must understand his responsibilities. The farmer more than any has felt the depreciation in values after the war, he was the first to accept the accomplished fact. Industries were longer in doing so; sooner or later they will have to accept it. In the meantime industries must help more than any other in carrying our burdens. I am not opposed to the legitimate and even substantial profits of enterprises, but again we must be fair and not have the consumer, after all, pay what the income tax collects from them on their profits.

I entirely approve of what has been said by the hon. member for Beauharnois (Mr. Raymond), and the hon. member for Hochelaga (Mr. St-Père), in regard to the income tax of corporations, especially those which sell electricity. On that score in my own town of Montmagny, the Quebec Power obliges us to pay 8 cents per K.W.H. for the lighting service. Everybody knows the enormous profits of these companies, and I congratulate the Minister of Finance (Mr. Robb), for not having granted their request this year. I am somewhat astonished to read, in the Montreal Herald of March 9, the following warning:

We warn the government that there is a rising tide of indignation in the province of Quebec against this discrimination. Quebec is willing, and always has been willing, to contribute its fair share to the general expenses of the Dominion, but it will not calmly submit to being imposed upon.

Mr. POULIOT (Translation): They know nothing about it.

Mr. LAFLAMME (Translation): I do not believe that this warning expresses really the popular feeling of the province of Quebec.

Mr. LAPOINTE (Translation): Hear, hear!

Mr. LAFLAMME (Translation): On the contrary, if newspapers like the Herald carry on their campaign in favour of this corporation, they will certainly come in conflict later on with the popular wishes. I think that they are wrong in trying to increase their profits, and should they obtain this exemption of income tax, they will not make the Quebec consumer benefit by it.

I shall close my remarks, Mr. Speaker. For the last three weeks the hon. Minister of Finance has heard many criticisms: they are an indication of the general feeling of satisfaction. However, we know very little of the new Conservative program which was adopted in Winnipeg. Are we to believe what a true Conservative said after the convention and which appears in the Montreal Star:

The thing is so obvious as a supposed vote-catcher as to be laughable. To placate the west the convention even went to the length

of endorsing the Hudson Bay railway. Outside the delegates from Manitoba and Saskatchewan it is quite safe to say that at least nine-tenths of the delegates do not believe in it. They know, in fact, that it is doomed to failure, and yet they voted for it. The convention expressed the most solicitous regard for labour and the returned soldier—all very well, but obviously with a purpose, and so throughout the entire gamut. I am a Conservative of nearly fifty years standing. I have shared in the glories of victories, if not at all in the spoils, and taken the defeats with the grace that sportsmen are supposed to possess, but I do not like hypocrisy. As a Canadian, I do sincerely trust that some time or another a party will have sense and courage enough to be sincere, win or lose.

The falsity of our opponents contrasts with the government's sincerity which will be approved by the great majority of Canadian people, for whom the Liberal party has always worked.

Sir GEORGE H. PERLEY (Argenteuil): Mr. Speaker, in the first place, as one of the older members of this house, may I be permitted to express my satisfaction with the way this budget debate has been carried on. I think we may say in all sincerity that the speeches have been very well delivered, and I wonder if the forty minute rule may not have something to do with that. The Speaker of this house was chairman of the committee which had to do with the revision of the rules last year, and I was glad to be a member of that committee and to assist in solving some of the problems which came up. The result was very satisfactory, with all members of the committee joining in an unanimous report to this house. As far as I can judge the forty minute rule has been very successful, and as it is better understood by the members of the house I believe it will produce even better results in the future. It will help produce compact speeches; in many cases hon. members will confine themselves to perhaps two or three points in connection with the subject under discussion, which they will amplify and argue in full, and in that way we will have really better debates than we had under the old rules. This debate has lasted quite a long time, but I have known other debates in this house which were longer. I think I am safe in saying, however, that in no other budget debate in this house have so many hon. members taken part, and I take it that that is all for the best; it is well that even the government should hear the opinions of members from all parts of this great Dominion.

Before proceeding further, Mr. Speaker, I want to extend my compliments to the hon. member for North Vancouver (Mr. McRae). Last Friday evening he made a very remarkable speech in this house, dealing with the question of immigration. This is really the greatest problem before the country to-day; how are we to get more people on the land in this great country of ours? The hon. member made a very constructive speech which should be of assistance in considering this question, even though his views may not commend themselves to everyone in this house. Before I go on to comment on his speech, the mere mention of his name reminds me of a convention which took place in Winnipeg last fall of which you, Mr. Speaker may have heard. In preparing for that convention a great many prominent Conservatives throughout this Dominion gave of their time and energy to make it as successful as possible, but I think it is not too much to say that no man in Canada did more than the hon. member for North Vancouver to the end that the convention might be well organized and satisfactorily carried through in every way. I can hardly believe it, but I have heard that some of our friends on the Liberal side were hoping that this convention would be a failure; if that were the case they must have suffered a grievous disappointment.

I cannot speak too highly of the way in which the citizens of Winnipeg helped us in our work. It was naturally a matter of civic pride with those living in that city that this convention should be a success, in order that Winnipeg might become known as a city where big conventions could be held, and in order that they might secure other conventions in the future. So the citizens of that city did everything in their power to help things along. I also wish to say a word in this connection in appreciation of the newspapers of this Dominion. All newspapers throughout Canada gave full reports and made kindly comments with regard to this Conservative convention. We naturally expected that treatment from the newspapers supporting the Conservative party, but I am happy to say that the Liberal newspapers also gave us fair play, and I hope I may be forgiven if I particularly mention the Manitoba Free Press. The reports appearing in that paper were very fair and very full, and therefore on my own behalf and I think on behalf of the other members on this side of the house, I tender the thanks of the Conservative party to the press of this country for the way in which they reported that very successful convention.

Referring again to the speech of the hon. member for North Vancouver, I have already said that I consider this problem of immigration to be probably the greatest question facing us to-day, and as far as I have been able to judge, up to the present the government have been simply marking time. The hon. member for North Vancouver has had special experience in connection with all mat-

ters of immigration and successful colonization in the northwest, and he has now brought forward a constructive program; although we on this side are in the cold seats of the opposition, he was willing and we were willing that the government should have the benefit of his ideas, which we hope will result beneficially to the country as a whole. We hope that since this constructive program has been suggested, the government will wake up and really do something on this important question.

I wish to express in this connection a personal opinion as to the best kind of immigration for Canada, which I formed while I was in the old country. I think we should endeavour to get young people here in as large numbers as possible. I believe the increase of population in the British Isles is between four and five hundred thousand a year, which means that that number of young people become of age every year. Now the best time at which to teach boys and girls our Canadian ways and make them fit for life in this Dominion is to take them when they are from sixteen to twenty years of age. If we did that I think we would bring about good results so far as this country is concerned. Not long before I left England I was invited in my official capacity to the prize day at the Blue Coat school which used to be located in London, but some years ago was removed into the country, and is now, in one of the counties on the road leading from London to Brighton. Now I was impressed very much with the fine lot of lads at the Blue Coat school, and the school authorities told me they would like very much to make an arrangement with Canada under which these young people could be taught Canadian farming ways at the school itself. The school possessed quite a lot of land of its own, and I understood from the managers that they were prepared to have these lands used for teaching Canadian farming methods to the pupils, provided the Canadian government would send the teachers and pay them for that purpose. I suggest to the Minister of Immigration and Colonization (Mr. Forke) that he think this matter over and prepare a plan under which young people could first be trained in Canadian ways and farming methods on the other side, and then brought here and helped to settle on the land.

During this debate there has been considerable discussion as to whether or not the indebtedness of the Canadian National Railways should be incorporated in the annual statement of the Minister of Finance showing the liabilities of the Dominion itself. Personally, I am firmly of the opinion that it should be. The hon. member for St. Lawrence-St. George (Mr. Cahan) discussed this particular matter very fully in the speech which he made immediately after the introduction of the budget, and I would not therefore take it up except that I wish to make some comments with regard to certain statements made by the Minister of Railways (Mr. Dunning) in his speech when he also discussed this matter. If hon. members will refer to page 889 of Hansard they will find that the Minister of Railways is reported to have spoken as follows:

> That portion of the debt of the Canadian National Railways which is owed to the public, and on which the railway is earning the interest, is not a part of the net debt of Canada, but is a charge against the railway.

Certainly that is quite correct. It is not included in the net debt of Canada. It is in the first instance a charge against the Canadian National Railways, but certainly should appear as part of the gross debt of this Dominion. Then on the other side of the account there should be such a valuation of the railway as would appear to be a reasonable value at the time the accounts were issued. That is the manner in which every corporation that I know anything about keeps its accounts. Items are included on both sides of the ledger whenever full and complete statements are made. To show that this is so I have in my hand a copy of the return the chartered banks made for the period ending December 31st last. This statement is presented to the Minister of Finance, and I am sure it is made in the way that he regards as correct. Now in that statement you will find on the debit side among the liabilities of the bank, letters of credit outstanding, and on the other side of the account liabilities of customers under letters of credit. If the argument of the Minister of Railways is sound, that these liabilities of the Canadian National Railways should not appear in the annual statement of the Dominion, why should the banks think it proper to include in their statement their liabilities under letters of credit? No account could be better secured than those letters of credit are. They are issued against merchandise and goods shipped from all parts of the world, and if there is any account properly secured it would be these letters of credit. Therefore I say there should appear on one side of the balance sheet of the country the liabilities of the Canadian National Railways, and on the other side such a valuation of the railway as might appear reasonable at the time the statement was presented. For a man to issue notes or guarantees, and pay no attention to them, is a pretty short sighted policy. No person in

ordinary business life could adopt that course without landing in serious trouble. A few years ago a friend of mine in Ottawa carried on a small business that yielded a reasonable amount of money, but unfortunately he went into an investment or speculation out in the west with some of his friends, financed entirely by promissory notes. This man went to the bank one day in the ordinary course of business to get some credit in the usual way. He did not include in his statement these guarantees or notes which he had given for the new undertaking out in the west, and the manager said to him, "Are you not interested in such and such a business away from here?" He said, "Oh yes, but those notes are a charge on a property out there, therefore I did not consider they should be included as a liability in connection with my business here." Naturally, the bank would not consider such a statement and it was well they did not, because in the end this man had to pay the notes and lost the investment he had made. To present a statement of affairs of the country without making any mention in it whatever of the liabilities of the Dominion in connection with the Canadian National Railways, is to bury one's head in the sand like the ostrich and ignore the facts.

At the same page of Hansard from which I quoted before, namely, page 889 the Minister of Railways is also reported as saying:

> That portion of the debt of the Canadian National Railways which is owed to the government of Canada, and upon which the taxpayers of Canada as such are paying interest, is a part of the net public debt. That portion of the debt of the Canadian National Railways which is owed to the public and on which the railway is earning the interest, is not a part of the net debt of Canada, but is a charge against the railway.

In order to make my point clear I have repeated one statement by the minister. Then at page 932, at the top of the second column, he says, in referring to the fact that none of the money advanced to the Canadian National Railways last year was charged in the government accounts:

> Because it so happened that in 1922-23 there were no railway guarantees and during the present fiscal year there have been no cash advances on railway account.

To my mind, Mr. Speaker, that statement in itself shows the impropriety of the present plan of keeping the accounts. It gives out to the public misleading statements. Last year the minister says that there were no cash advances, but as a matter of fact the Canadian National Railways increased its funded debt last year by some $50,000,000. According to the Minister of Railways, the Minister of Finance had it in his hands either to advance this money in cash from the Dominion treasury, in which case it would appear in the Dominion accounts, or to guarantee the securities of the Canadian National, in which case the Minister of Railways claims that the Finance minister did not have to show it in the public accounts.

Mr. DUNNING: I must object to that. The guarantees of the Minister of Finance in regard to the Canadian National Railways are shown in the public accounts; they are schedule 5 of the balance sheet. My hon. friend, in attributing the statement he did to me, was not distinguishing between the terms net debt and public accounts.

Sir GEORGE PERLEY: Perhaps I inadvertently used the term public accounts. As a matter of fact, if the money is advanced in cash to the railway by the Minister of Finance, it appears in the ordinary balance sheet of the Dominion, but if it is provided by way of guarantees, it appears only in the accounts of the Canadian National Railways.

Mr. DUNNING: No. It appears in a schedule of the balance sheet, in the public accounts of Canada.

Sir GEORGE PERLEY: It does not appear as part of the net debt of the Dominion itself.

Mr. DUNNING: That is right.

Sir GEORGE PERLEY: In other words, if this amount of approximately $50,000,000 which was guaranteed by the Minister of Finance last year for the Canadian National Railways, had been advanced in cash to the railway, then the whole surplus claimed by the hon. Minister of Finance, and more, would have disappeared during the past year. And yet the gross liabilities of this Dominion, direct and indirect are exactly the same in either case. I ask you, Mr. Speaker, whether under this system of keeping the accounts it is not possible that some Finance minister some day may be tempted to put out misleading statements? In other words, the Minister of Finance has it in his own hands either to advance the cash for the requirements of the Canadian National Railways, which would appear in the net debt of the Dominion, or to guarantee the bonds of the Canadian National Railways, which would not appear in the net debt of the Dominion. I can imagine some Minister of Finance saying in the middle of the year, along in September, when it is usually necessary to raise some money for the purpose of financing, "Shall I provide this money in cash out of the coffers of the Dominion exchequer, or shall I guar-

antee the bonds of the Canadian National Railways? If I provide this money in cash out of the Dominion exchequer, I am going to have to show a deficit next year in my budget speech, but if I provide it by guarantees, then I shall be able to show a surplus in my next budget speech." I claim and submit, Mr. Speaker, that irrespective of party this question of keeping the accounts should be straightened out and put in proper shape. The accounts should be kept just as would be done in the case of any large corporation in this country. I know it is argued that the system here is followed by other governments in this country, but to my mind that does not make it right.

Mr. DUNNING: And by my hon. friend's government.

Sir GEORGE PERLEY: I expected that. We always get the tu quoque argument. But we on this side of the house are always trying to learn something, while hon. gentlemen opposite do not seem to wish to learn.

Now a few words with regard to the argument put forward the other day by my hon. friend the Minister of Justice (Mr. Lapointe). I was rather surprised to find a gentleman of his ability and capacity making use of that old campaign trick with which we are all familiar, of putting up a dummy and then knocking it down. When we first go into a campaign, probably we all use that trick, but as we get older we often find that it is wiser to drop it. At page 1055 of Hansard the hon. Minister of Justice says:

> I was hoping that he (the leader of the opposition) would discountenance his followers in their campaign of belittling and misrepresenting Canada in the eyes of the world. Why glorify the United States at the expense of Canada?

The hon. gentleman knows as well as I do there is no foundation for any suggestion of that kind. What right has the hon. Minister of Justice to say or even to suggest that we on this side are belittling Canada? That is an argument which is used in this country at elections, but it seems to me it might well be dropped. I ask you, Mr. Speaker, I ask anyone who will answer in a conscientious way, whether there are any more loyal Canadians than we who sit on the left of Your Honour. I for one am proud of Canada, and proud of what we have accomplished in this country. I lived in England for eight years, in a very responsible position. I had an interesting time and a great deal of work to do, and I was glad to do anything I could during those war years, but my wife and I always looked forward to the day when we might come back to our old home, and as soon as the opportunity offered we came back here, because we think this is the best country in the world in which we can live, and I certainly do not like the Minister of Justice to suggest anything different.

We on this side of the house, Mr. Speaker, are rather tired of having the government relying upon Providence alone for the blessings this country enjoys. It seems to us that it is high time the government did something to try and make Canada an even better country to live in; that they tried to make use of the raw materials and opportunities for development in this country, to give more work for our Canadian boys and girls, and to increase our population. I for one do not like the present conditions under which we are spending money to teach our boys and girls in our schools, and then to have them find no opportunity for their talents here, and leave this country and go elsewhere to make a living. They are our best raw material and we ought to do everything we possibly can to keep them here, and to make as much work and provide as many opportunities for them as possible, and I suggest to the government that they get busy and make a real effort to provide more work for our people at home, both on the farms and in the factories. Instead of taking this view of the case, the Minister of Justice prefers, as I judge from what he says, although I hope I am wrong, to ship out our raw material, and he apparently glories in that fact because I find on page 1056 of Hansard, the following extract which he read from some publication:

> The total per capita exports of all lines from the United States is $39.62, from Canada, $122.57.

He glories in that fact; he boasts of it. I take the other view. Our exports are largely of raw materials, whereas United States exports of raw materials are less in proportion to population. Why? Because they use them up in their own country, thus providing work for their own people. Therefore, rather than glory in the fact that we export more raw materials than the United States do in proportion to population, the government should endeavour to stop some of this exportation of raw material and have it made into more highly finished products, thus keeping at home many of our young people who are now going away.

I humbly submit that the government should consider adopting the plan that we on this side of the house advocate of making our laws in such a way that we shall manufacture in this country everything we can instead of buying it largely from the United States. It is not fair that in our competition

with our friends across the line, because they are and I am sure they always will be friends of ours, we should be handicapped by their very heavy tariff and at the same time by the fact that under our lower tariff they are able to ship goods into this country while we cannot ship goods into theirs. In this connection I wish particularly to refer to the farmers and fruit growers. I spoke of this at a previous session and I feel very strongly on the point. I believe the Minister of Agriculture (Mr. Motherwell) thinks as I do that this home market of ours should be kept as much as possible for our own home growers. The purpose of the Conservative policy, as I take it, to encourage our industries is twofold. One idea is to provide more work for the people in our factories and the other is to provide in our own country a greater market for our farmers and fruit growers. My constituency is an agricultural one with several industries which keep up the towns, and in that way the people who live in the towns are first-class customers at good prices for the products of the farms round about. I need hardly say to you, Mr. Speaker—and everybody will agree in this—that whatever we grow in this country is the best that grows anywhere. It matters not whether we talk about apples, potatoes or people—they are the best that are grown anywhere and able to stand up against competition in any part of the world. But is it just that farmers and fruit growers in this northern climate should be subjected to unfair competition from southern countries where it costs less to produce these articles?

Under the present tariff laws in the United States the president or some committee has power to increase the duties when necessity warrants. I have known cases of this kind where some Canadians have worked up an export market in the United States. A very glaring one that occurred last year was that of a clothing manufacturer in Toronto. They had worked up a market in Detroit even under the high tariff but they found that they could make the business pay. This was discovered by customs officials in the United States and a shipment which was sent out on an order from the Toronto house to Detroit was stopped at the border and the tariff was raised before the shipment could be delivered. We should not submit to treatment such as that.

Mr. GOTT: They can impose an embargo if they see fit.

Sir GEORGE PERLEY: My hon. friend tells me that they could put on an embargo if they saw fit. I am not one of those who advocate a sky-high tariff, but in this trade competition between us and our friends and neighbours to the south, I think it is the duty of this parliament and this government to give our people as much opportunity as possible to do business and to earn their living.

The following incident is a small matter but these little things show how the wind blows. This is an extract from the Ottawa Citizen of Friday or Saturday last:

> Pickles and sauces served on the tables in the parliamentary restaurant in the House of Commons were yesterday found by a delegation from the Canadian Horticultural Council to be manufactured in the United States. The delegation waited on government authorities and brought this fact to their attention, with the request that the government "practise what it preaches"—use goods made in Canada. Both pickles and sauces are manufactured in Canada.

Could anything be more ludicrous than that we should use in our own parliamentary restaurant pickles and sauces made in the United States?

Mr. GARLAND (Bow River): May I suggest one thing more ludicrous—protectionists wearing Italian felt hats.

Sir GEORGE PERLEY: I take it that my hon. friend is in favour of the produce of the farms of this country being used here as much as possible. He will agree with me in that, at all events. The government may say: Oh, that is a matter for the committee that administers the restaurant. But as a matter of fact the government supporters control that committee; they are in a majority on the committee on the restaurant, and if they gave instructions that there were to be no more of these articles used unless they were made in Canada, their orders would be carried out.

I lived at the Chateau Laurier for several years and canned fruit is something I use a good deal of. I did not have many things to grumble about at the Chateau Laurier, but I certainly did complain because I could not get from them any peaches except United States peaches. We raise in this country better peaches than they do in California or Oregon, and why the Canadian National Railways should supply what is really a government hotel with fruit from across the line when we have better fruit in Canada, is something I have always failed to understand. In other words I take the ground that particularly in regard to the products of the farm and the competition with farmers and fruit growers in the United States, steps should be taken to protect our growers in order that they may have their home market for themselves when they are denied an opportunity to sell their produce across the line. The Department of

Agriculture of this government has quite properly urged a campaign for the use of Canadian products. Why do they not do it themselves? Surely they should be the first to set us an example. We vote $30,000 a year to run the parliamentary restaurant. I have not ascertained if all the appropriation was used last year. But surely the government, and especially my friend the Minister of Agriculture, who goes up and down the country urging on the people the wisdom—with which I agree—of using Canadian products, might at least practise what they preach.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, until this morning I had hoped to keep out of this already too long-drawn-out debate, but when I learned that I could have a period of forty minutes or less without prolonging the debate in the aggregate, I thought I would take advantage of it.

So far as the budget proper is concerned, with the naked eye I cannot see that any indentations have been made in it during the three weeks it has been under bombardment. I think the budget is just as popular throughout the country to-day as when it was first launched. Then why deal with it any further?

Before considering a number of the statements on immigration and dairying that have been made in the course of this debate, let me refer to the concluding remarks of the hon. member for Argenteuil (Sir George Perley) who has just resumed his seat. Pickles and sauces! A serious matter indeed,—if 't were true. But I am sorry to tell my hon. friend that the statement is not true, according to what Mr. George tells me. He was in my office the other day and expressed great concern about the impression that had been created that pickles made in the United States were being served in the parliamentary restaurant. He assured me that this is not the case.

Sir GEORGE PERLEY: I am glad to hear it.

Mr. MOTHERWELL: I am sorry to spoil my hon. friend's little story. He and his friends must be in a pretty bad pickle when they have to resort to such criticism. I am afraid I may have to spoil some more of their little stories and castles in the air before I am through.

Now then, as to immigration. This, I admit, is a very important question. Apparently one of the chief complaints has been made by my hon. friend from Halifax (Mr. Quinn), and reiterated by twenty or thirty of his associates. It concerns a certain family that was detained at Halifax, with the result that two of its members were not allowed to land. But there is a much larger question at stake than the hardship entailed on this individual family. Shall we keep out the prohibited classes, or shall we let them in? There are something like twenty-five or thirty prohibited classes mentioned in section 3 of the Immigration Act—imbeciles, the feeble-minded, idiots, epileptics, prostitutes and pimps—whatever those are; these are all prohibited. Now, if I understand the complaints against the Minister of Immigration (Mr. Forke), some at least of these prohibited classes should have been let in, and the treatment of the McConachie family has raised the question. But, as I say, a much larger question is involved. Why should these prohibited classes be allowed to enter the Dominion? I do not care whether the law prohibits their entry or not, or even if the Minister of Immigration has discretion to let them in,—did he not do the right thing in keeping this class of people out? While I was a provincial minister, acting in the Department of Labour and in the Department of Health, I had to deport a considerable number of immigrants from Saskatchewan. I found after sifting them down as closely as possible that some of the no-goods gain entry once in a while, and they have to be deported. Then why deliberately permit these prohibited classes to come in?—the classes that I have described. There is a big issue at stake. If I interpret correctly the position taken by my hon. friend from Halifax and other hon. members of the opposition, they are asking that the two members of the McConachie family—one prohibited—to whom I have referred should have been allowed to land. If we are to allow the simple-minded to come in then what about the idiots, the imbeciles, the epileptics, and the others specified in section 3—fifteen or twenty prohibited classes? If one is allowed to enter, why not two; and if two, why not a thousand? If you allow one of the prohibited classes to come in, the whole twenty classes can come in. There we take issue with our friends on the other side. We feel sorry for these unfortunates, but, nevertheless, we believe that, as in the past, they should be kept out. There can be no compromise on this question.

Mr. EDWARDS (Frontenac): The Minister of Immigration let in—

Mr. MOTHERWELL: I have my forty minutes, please; after that you can talk as much as you like. These people must be either on the other side of the Atlantic or on this side; you cannot compromise by dropping

[*Sir George Perley.*]

them in mid-Atlantic. Therefore if my hon. friends opposite are complaining of the action of the Minister of Immigration in leaving those people on the other side of the Atlantic, it is evident that they want to have them on this side. Well, every party to its taste.

Mr. EDWARDS: The Minister of Immigration—

Some hon. MEMBERS: Order.

Mr. MOTHERWELL: I have sat here for three weeks listening to the dope sent over from my hon. friend's side. Now they should be able to sit still for forty minutes; I have had to sit still for nearly forty days.

I could not deal with the question of immigration without at least making reference to the very excellent speech of the hon. member for North Vancouver (Mr. McRae). I hardly know how to go at this question.

Some hon. MEMBERS: Hear, hear.

Mr. MOTHERWELL: Hold on! He who cheers last will cheer best. I have known my hon. friend for twenty-five years. I had the pleasure of knowing the Davidson, McRae Company way back in 1902. But that was an entirely different proposition from the one the hon. gentleman promulgated on Friday. Half of it was one dollar an acre land, and the other half free homesteads, making the average fifty-cent an acre land. How could anybody lose on that proposition? It was like going down hill with the wind in your back. Anybody could propose such a scheme and succeed with it. Now, the basis of the hon. gentleman's proposal last Friday was that a large block of scrub land should be dealt with on the basis of being cleared at $12.50 an acre. Do you know anybody, Mr. Speaker, who could clean that land at $12.50 an acre? I do not. That is just a little more than double the cost of preparing open prairie land for the seed drill. How can you clean scrub land for $6.50 an acre over and above the cost of cleaning straight prairie land? It is absolutely impossible. But taking the figure just as my hon. friend gave it, it entails an expenditure of $300,000,000. Well, I know it will be successful in one respect; it will succeed in preventing my good friend the Minister of Finance (Mr. Robb) from having any more surpluses to report to this house. Three hundred million dollars? It will cost twice that much, if I know anything about the cost of cleaning scrub land. If my good friend has the faith in his proposition that he appears to have, I would suggest that he bring it before the agricultural committee where the other immigration problems are being sifted. I should like to hear what some of the hard-handed and hard-headed farmers on that committee would have to say regarding this big scheme. I have watched the development of large enterprises like this, and I have never seen one of them succeed where the government had to step in, clear the land and build a house on it—never yet. In Ontario shortly after the war was over the government of the province went into a big land settlement scheme at Kapuskasing for returned men. I am not adversely criticizing the provincial government; we all wanted to do these things for the returned men. But what is the condition of affairs to-day? The land now is practically deserted by the original occupants. I am not going to say anything about the soldier settlement proposition except to point out that if we amplify the scheme in the manner suggested we shall be obliged to add to the public debt by hundreds of millions of dollars. We have already spent a hundred millions, and I mention this fact for this reason. My hon. friends will say, "That is the way the Liberals manage things. If the Conservatives were in power and there were a proper administration with a real live wire at the head of affairs these things would not happen." But whose was the soldier settlement scheme? Let me point out that we have just written off $16,000,000 as a result of bad buying and poor management during the Tory administration, and another $10,000,000 in relation to live stock and equipment. If, therefore, we can salvage 50 cents on the dollar from the scheme we shall have reason to consider ourselves pretty lucky. Now that was their plan; and what evidence have we that the present proposal would be any better in face of the experience we have had? I know of no other such scheme since settlement first began on the North American continent; nor am I aware of any country in the world where governments have developed lands in this bonanza fashion but the people got their fingers badly burned in consequence. That is our experience. I would rather speak approvingly of the scheme, because I know that the first enterprise with which my hon. friend was associated, the Saskatchewan Land Valley Company, was a magnificent proposition. But how much support did it get from the other side? It was depicted by the Tories as the blackest thing that ever emanated from a government. And now hon. gentlemen are taking that proposition as their ideal. There you had an average of 50 cents an acre as compared with this proposal of $12.50. Why, twice that amount of money will not clear off the heavy scrub land in the northern parts of the prairie provinces.

I had an opportunity of visiting Peace River and I know something about it. It is

this propensity for leaping before looking that resulted in running the Hudson Bay railway into that open switch at Port Nelson—anything to get rid of the proposition. I shall have to deal with this question later on but, as I say, there was an evidence of a desire to get rid of the question by any means at all. Any plan would suffice so long as they could get to salt water. That was their hurry-up policy; that was their headlong proposition; and I would beseech this house to beware of Tory schemes of this kind, for they have invariably turned out badly. Now what are we ourselves doing in connection with Peace River development? Are we doing anything? To hear my good friends talk one would imagine that we were sitting comfortably here and merely wearing out our chairs from day to day.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Well, we have been doing so but it is my hon. friends who have kept up the pace and not we. We believe in the Peace River; I do not think there is any finer part of the country, if developed, than that territory. I was charmed with it and I admired the men who were hanging on. Possibly my admiration was inspired by the fact that I myself hung on similarly for over twenty years before I had the satisfaction of seeing railway communication established. I did feel quite buoyant and hopeful for the future of that country when I paid it a visit. Well, I ask, what are we doing? Since coming into the house I have received a hastily prepared statement from the Railway department—not from the Minister of Railways (Mr. Dunning), as he was not here during the full period mentioned, but a statement prepared by his staff who are more familiar with the whole proposition in its earlier stage.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Hon. members laugh; I hope they do not expect the Minister of Railways to be acquainted with all the details of the proposition dating away back to 1921. My hon. friends should have waited until I had concluded the sentence. Here is the statement I have received. In 1921—and this, bear in mind, was during the period when the Crowsnest rates were suspended by my hon. friends on the other side, that legislation having been passed in 1919—the rate from Grande Prairie to Fort William per hundred pounds was, in 1921, 59 cents. In 1922 it was 45 cents. Paranthetically I would point out that changes in freight rates downwards, due to some specific policy or action on the part of this government, have been invariably opposed by hon. gentlemen opposite. In September 1922, for some reason that does not appear on the face of it, the rate was increased to 49 cents, but in January, 1924, it was reduced to 43 cents; and in September, 1925, it was further reduced to 35½ cents. This meant a total reduction in the rate from Grande Prairie to Fort William per hundred pounds during that period of 24½ cents. Let us take the freight rate from Grande Prairie to Vancouver during the same period. In 1921 it was 54 cents; in 1922, 48 cents; in 1923, 43 cents; on January 19, 1924, 40½ cents; on January 29, 1924, 39½ cents and in September, 1925, 29½ cents; while on September 15, 1925, it was 28 cents. This represents a total reduction per hundred pounds from Grande Prairie to Vancouver of 30½ cents; in other words, the rate was more than cut in two. That would permit the farmers of Grande Prairie to carry on while the country was developing and tonnage improving in order to warrant an outlet to the Pacific. We believe that two things must run concurrently; we must prepare for an outlet to the Pacific, which undoubtedly will come; and simultaneously with that preparation we as a government must make it possible for the farmers there to carry on with a reasonable profit on their efforts. And this is the best means towards that end. We must reduce freight rates to that extent and thus reduce the cost of production of every bushel of grain. I may say that settlement is taking place rapidly there, and not settlement of the feeble-minded either, but of strong, sturdy vigorous men and women. These people are going into that country and making it the envy of the whole continent. Herman Trelle went there as a young man, an engineer, and going in for farming he was able eventually to capture first prizes on the continent in both wheat and oats. He did this two years ago, and where did he get his wheat? He got it from the experimental farm in Ottawa. That one single man has done and will continue to do more for the Peace River country than all the hot air artists you could pack on the Tory side between now and the end of the session.

I think I have covered the immigration question. I have no authority on behalf of my colleague, the Minister of Immigration (Mr. Forke), to speak with reference to the committee on agriculture and colonization, but inasmuch as I have what I may term a half interest with him in this matter I will undertake to afford all the facilities I can, even to the extent of burying some of my

own bills, if my hon. friend from North Vancouver (Mr. McRae) will come forward and develop his proposition. Our friends are willing that we should give it consideration, but I want to see a little more about it before committing myself. They are perpared to have us receive credit for it, but before they can expect us to buy a pig in a poke I think we may reasonably ask my hon. friend to disclose and develop his scheme. I am ready to give him all the time he desires for the purpose. In the meantime, that is all we can do and we shall pass on to something else.

Our friends have taken umbrage at the Australian treaty. Well, of course, you cannot buy a market without paying for it; somebody has to pay. When the British preference was first established in 1897 it could not be done without somebody's toes being hurt a little. But in the main it was good for Canada. In the main the Australian treaty is good for Canada, and we hope it is good for Australia as well. This government, led by the Prime Minister, are strongly in favour of developing interimperial trade, as I am sure we all are, and you cannot do that except at an occasional cost to some one. You would almost think, Mr. Speaker, that it was actually a crime to eat good Australian or New Zealand butter; apparently our hon. friends would rather have the people of Canada eating oleomargarine. I remember one of the first remarks I ever made in this house; it was not from this seat, but from somewhere in this vicinity, and it had to do with this question of oleomargarine. My hon. friend from West York (Sir Henry Drayton), whom we are glad to see back in his seat looking well and happy, was very much entertained by the discussion which then took place, and he can probably recall it quite well.

Mr. BENNETT: He is equally entertained to-day, I should say.

Mr. MOTHERWELL: I have a list of the importations from the Antipodes for the last twenty years, and during every year we have had occasion to import more or less Antipodean butter into Canada to eke out our own supply during the winter months. Is that a crime? During the last year of the Liberal administration, in 1911, 903,821 pounds of butter were imported, while during the first year of the Conservative administration in 1912 the figure jumped to 2,241,584 pounds. I am not going to blame them for that; if they had no butter for their bread they did well to get it wherever they could, and they were so anxious to get it that they supplemented the butter with oleomargarine. Then in 1913 the importation jumped to 6,116,134 pounds; in 1914 it amounted to 6,959,757 pounds, and this country seemed to survive all right. That has gone on year by year. For the first ten months of this year we imported 8,228,986 pounds of butter, and I anticipate that before the year is over the figure will be even larger. Where is the crime in that? The funny part of it is that our friends opposite are pleading largely on behalf of the urban population of this country; they tell us they are getting butter too cheaply. I can understand the objection of the farmers to the Australian treaty, but I cannot understand the urban people objecting to good Australian butter at about two cents less per pound. As I have said, I can well understand the objection of the farmer, but to judge the relative policies of the two parties on this one issue you must not take any isolated item; you must deal with the whole policy of the government. Therefore, when you size up the policy of our friends opposite, you must consider that policy not only in relation to the importation of butter but also in regard to the free importation of oleomargarine and its ingredients. Imagine Tories letting anything in free! However, they were partial to this concoction of intestinal fats and southern oils which was called oleomargarine, and the ingredients were allowed in free. Then you must also remember that when the treaty with the West Indies was negotiated, Canada received a specific preference of one and one-half cents per pound on butter. Consequently, when you consider the policies of the two parties, you must agree that our policy is infinitely preferable to the one inaugurated by our predecessors. I do not suppose my hon. friends want any more of these figures, so I will say nothing more than that during every one of the past twenty years more or less Australian butter came into Canada, and no one thinks it is a crime. As a matter of fact, in this treaty there is a provision by which, upon six months' notice, either party may amend or abrogate it, so it is not a fixture from now to eternity. It does not seem to be doing the urban people any harm, whatever effect it may have on our rural population.

Now I would like to refer to some matters on which the leader of the opposition touched in his initial speech, which was a very good one. I will not quote him, but he was in no better humour than were his followers. He did go so far as to admit that there was a certain amount of temporary prosperity in the country, but he did not like the way that prosperity was obtained. He did not like

the great mining development, for instance, because it was so hard on the mines; he did not like the development in our pulp and paper industry because it was so hard on the forests, and he did not like the big crops, apparently, because they were so hard on the land. He might have said with greater truth that he did not like the result of the last election, because it was so hard on the Tories. In that speech he sought to leave the impression, or at least he stated, that he was friendly to the Hudson Bay railway. As the old saying goes, save us from our friends! I remember the time he went down to Portage la Prairie to help out his late lamented leader, and instead of helping him he drove home the last nail in the lid of the coffin of that leader, which has not been raised since.

Mr. BENNETT: I now rise to a question of privilege.

Mr. MOTHERWELL: That was the effect of the speech.

Mr. SPEAKER: Order.

Mr. BENNETT: The statement attributed to me in the newspapers at Portage la Prairie was contradicted before I had even left that town, and after the expenditure of much time and energy I induced every newspaper in Canada to publish a withdrawal and a denial of the accuracy of the statement now attributed to me by the Minister of Agriculture. That was done by the Canadian press. Any such suggestion as that now made is absolutely false in toto.

Mr. MOTHERWELL: I did not say anything about what the press said, did I?

Mr. BENNETT: You stated what I said.

Mr. MOTHERWELL: I venture the guess that every western man who went out campaigning in that election, unless he happened to be in collusion with my hon. friends opposite, had a sheaf of Hansard statements made by hon. gentlemen opposite with regard to the Hudson Bay railway. If they did not have those statements, I will now give them. Here is the statement made by my hon. friend on June 9 of 1926, which will be found at page 4293 of Hansard.

> But from the information I have I could not under any circumstances vote to extend the railway a single foot beyond the present end of steel.

That was then at Kettle Rapids, ninety-two miles from Hudson bay.

> I could not vote to send the railway to Nelson.

[Mr. Motherwell.]

Strictly speaking, I could not do so either. That is the statement made by my hon. friend the leader of the opposition. Perhaps I had better read that again:

> But from the information I have I could not under any circumstances vote to extend the railway a single foot beyond the present end of steel.

Mr. DUNNING: When was that speech delivered?

Mr. MOTHERWELL: On June 9, 1926, in connection with the vote of $3,000,000. Then another statement was made which I do not need to read in its entirety, unless my hon. friend will say I am taking isolated statements and leaving a wrong impression: I will fix that up later, by quoting some of the colleagues of my hon. friend. My hon. friend said later:

> I believe the whole matter is impracticable.

He was then referring to the Hudson Bay railway. If my hon. friends wish, I will read the whole quotation, but I notice that half of my forty minutes is gone now, and perhaps they will let me proceed. Here is what Mr Bury said; He was then Conservative member for Edmonton. Speaking immediately after my hon. friend he said:

> I would not now have risen to speak but for the fact that the member for North Battleford (Mr. McIntosh)—with the best intentions in the world I have no doubt, and being himself assured of the truth of what he said—told the committee that the whole of the west was solidly behind this proposition, and he specifically mentioned the province of Alberta.

Then Mr. Bury goes on to say:

> Now, I cannot let that statement go unchallenged, because there is at least one member—and indeed the house has heard another in the person of the member for West Calgary (Mr. Bennett)—

My hon. friend across the way—

> —who does not believe in the project of the Hudson bay route as a grain route.

There is no equivocation about that. His own colleague, Mr. Bury, interprets what he thought the hon. member said and repeats it. Therefore I am not putting any strained interpretation on what my hon. friend says. There are his words in black and white. There was not a speaker in the whole of western Canada but was aware of these words and read them at the various meetings. And when my hon. friend had the audacity to go to Portage la Prairie he could not expect any better result than that his leader would drop in his tracks. There could be no other result and it was the same with all the rest of the Tory candidates in Manitoba. Is there anything else my hon. friend would like to deny? I think the hon.

gentleman got up in too big a hurry. It seems to me my hon. friend was protesting before there was anything to protest about.

Seeing that we are on the Hudson Bay railway, and my hon. friend expressed a keen desire to clean up any suspicions which he said existed around the Immigration department I wonder if he has it in mind to clear up the suspicion a great many people have felt as to why the Hudson Bay railway was sent to Nelson? If he has any such desire all he has to do is to ask for an investigation and I think he will get it. I have no right to make that statement on behalf of the Minister of Railways or the government, but I think my hon. friend ought to try to get an investigation. I think it would do my hon. friend good to have an inquiry. Then he would find out why six millions of money were squandered. He would find out why a sand sucker was sent up there when there was no sand to suck, and why it is still there resting on an artificial island. I do not attribute the blame for this to the engineers in charge, nor to the late minister, Mr. Cochrane, but to the ministry of that day. By all means let us have another investigation. My hon. friend did not get much out of the customs, or immigration investigation, and he may as well try a third shot, and I think I can assure him that he will get more of a kick or backfire out of the third than from the preceding ones.

I have only ten minutes left, but it will not require that much time to answer all the allegations of hon. gentlemen opposite. I was just going to make a few remarks about the wonderful convention held at Winnipeg. We were all interested in it. It is a fine thing for a government to have a good opposition, and we have got a good opposition leader. In my estimation the Conservatives got the best man for the party; it is certainly best for the country and best for the Liberal party that he is the opposition leader. I do not say that with any unkind intention towards my hon. friend (Mr. Bennett); I think the hon. gentleman is a credit to this house. But the platform of the party is a bird. They have recanted nearly all of their professions of the past. I had a newspaper report of the platform here but I have mislaid it for a moment; I think it has crawled under the desk. I have tried on three different occasions to get a copy of the Conservative platform in concise form from the offices of my hon. friends, but I did not succeed, and only this morning in reply to my request, I was told the platform was away somewhere being revised and, believe me, I certainly think it needs revision. The implements of production are now the subject of concern to my hon. friends opposite, and the consumer also is to be looked after. And yet in the same breath they are going to stand firmly by the national policy which dates back for fifty years. How can my hon. friends have two policies? They seem to be trying to look to the east and at the west at one and and the same moment. When they get down here they forget all about the Winnipeg platform. No sooner have the echoes of that great convention died away in the distance than they hike down here leaving their poor baby to bleach its bones on the silent prairie. We all remember when they were disputing during the convention about the Hamilton speech of the former leader of the party at the Winnipeg convention. They had on that question a little internal difficulty, but while the fight lasted, "Oh, oh, it was a lovely war!" The resolutions passed at that convention numbered twenty-four in all, but out of the entire number I have not been able to find a single one that you could hang your hat on, or that would be of any good to the country. They have a resolution about the St. Lawrence waterway. My hon. friends opposite are in favour of that project, but it must be a national undertaking, not an international one. How could it be a national undertaking when the international portion is almost all in the United States? At Winnipeg they also resoluted in favour of the completion of the Hudson Bay railway. At last they have come to that conclusion. They were not always of that opinion, but now they have recanted and have come out in favour of the project at a time when they are not needed.

For years we of the Liberal party fought for the restoration of the Crowsnest pass rates in the face of the Conservative opposition. At the Winnipeg convention, in deference to western sentiment, my hon. friends opposite came out in favour of the statutory rates on grain. Talk about the reform party! Here is a party which has reformed late in the day, but as the old adage has it "better late than never."

My hon. friends in one of their resolutions favour the development of Canadian ports and the giving of the British preference to all goods entering those ports. In advocating these policies they are just three years behind the times. We have got all these matters attended to. Of all the aggregations of inocuous ideas I ever set my eyes on the platform enunciated at Winnipeg is the limit. Of course we all know what it is intended for. It is a gesture on the part of the east for the purpose of deceiving the west. You will re-

member that for twenty long years only one Tory from the province of Saskatchewan ever gained the federal house. Is it any wonder that my hon. friends would get down on their marrow bones and commit themselves to almost anything in order to improve on that showing? But have you heard my hon. friends advocating these resolutions here? There was one action of the convention which we approve of, and that was in the choice of a leader. But I have not heard any one of the resolutions dealing with the tariff, the Hudson Bay railway, the Crowsnest pass railway rates or other matters referred to here in a commendatory way, or in any way at all as far as I know. Why are my hon. friends so silent about those resolutions? It is true that the hon. member for North Vancouver (Mr. McRae) delivered a speech on Friday dealing with immigration, but the Conservative platform is now in cold storage and will stay there so far as my hon. friends opposite from the east are concerned.

I am not going to take up the whole of my forty minutes.

Some hon. MEMBERS: Go on.

Mr. MOTHERWELL: No, I have said all I wanted to say. I will close with the statement that if I have been unfair to the leader of the opposition in any way I hope he will set me right when he speaks to-morrow.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, although the Minister of Agriculture (Mr. Motherwell) may have been disappointed in the terms of the Conservative platform, I am sure his hopes with respect to the leader of our party to-morrow will be amply fulfilled. Before entering upon the subject matter of my remarks, which concern chiefly a provincial question of British Columbia in relationship to the federal government, I want to take this opportunity of making a reference to the passing of a lifelong personal friend and political opponent, the late Hon. John Oliver, formerly premier of British Columbia. His sterling, honest character, his strong and rugged personality, his keen intellect and vigorous mind, and his great devotion to his adopted province gained for the late Mr. Oliver the admiration and respect of not only the people of British Columbia but all his political opponents. In his passing last summer the people of Canada have lost a fine public servant whom we all miss and for whom there will always remain in the hearts and memories of his fellow citizens the deepest affection and regard. I wanted to make these few observations with regard to the late premier because in British Columbia he was held in the very highest esteem.

The purpose of my remarks to-day is to review briefly the question of British Columbia's claim for better terms, its relationship to the treatment given to the other provinces, and the findings of the Hon. Mr. Justice Martin who, as commissioner, has placed before us an interim report. The Hon. Mr. Justice Martin finds in respect to British Columbia that:

> Justice requires that the province be placed in the same position as the other provinces with respect to a great national undertaking and the lands conveyed to the Dominion for the purpose, namely, the railway belt and the Peace river block, be restored to the province.

I wish also to take this opportunity to commend the government for appointing this commission, but I should like to remind them that the functions of the commission were greatly circumscribed and did not cover the matter of adjustment of subsidy, regarding which British Columbia has a very important and just claim. They likewise omitted to cover one or two other questions of long-standing grievance in our province. In view of references made in two former speeches from the throne but never followed by action on the part of the government, I am sure that members from western Canada, where the question of natural resources is one of concern and should be one of legislation, will be interested in that phase of the question to which I am about to refer.

Confederation as consumated in 1867 is a political and economic union by the federal system of government under a new constitution of colonies possessing their own sovereign rights, which, within the scope of the British North America Act, they still retain as provinces. To get at the root of this question of the right of the provinces to their natural resources, we must consider for a moment the question of what is known under our constitution as the public domain. Before the western provinces became partners in confederation, that vast area of public domain was vested in the crown, subject to such rights as had been granted by charter or license to trading companies such as the Hudson's Bay company and the North West Trading company. British principles with regard to public domain are very ancient and well known to all colonies and dominions. The public domain, that is lands unappropriated, has been and still remains vested in the crown; but when a government is formed to take control of the country, it secures—and these are the two essentials—first, the administration of the

public domain and, second, the beneficial interest therein. This principle has been accepted in every British self-governing country and in the whole of Canada with the exception of western Canada, which has been denied these constitutional rights by the federal authorities.

When confederation took place in 1867 these principles were recognized by the four constituent provinces, Ontario, Quebec, New Brunswick and Nova Scotia, and were perpetuated by section 109 of the British North America Act. Under that section the beneficial control of the public domain was vested in the several provinces. If you examine the constitutional history of New Zealand, Newfoundland, the provinces of the Australian commonwealth, South Africa and every other self-governing dominion, you will find that each government, whether federal, state or provincial, has, upon organization, been granted the administration and beneficial control of its public domain. That feature of the constitutional relationship between the provinces and the dominion is fundamental to the rights of the provinces. When confederation took place, we had of course a great area of land known as our public domain. The four provinces constituted about 500,000,000 acres of this land, but apart from those 500,000,000 acres there were in the neighbourhood of 2,000,000,000 acres which constituted the public domain still remaining with the federal authority. By legislation in 1898 and 1912 the province of Ontario received 150,000,000 acres more than it had at the time of confederation, making a total of 261,000,000 or practically doubling its size. In those lands all the rest of Canada had a proprietary interest. The province of Quebec is now nearly four times as large as it was at the time of confederation. It had 124,000,000 acres originally, but by legislation of 1898 and 1912 this territory was increased to 452,000,000 acres. Likewise in the province of Manitoba there was a considerable increase. My contention is that those additions were part and parcel of the right and title of every province constituting confederation and every province which was admitted under the terms of the British North America Act. What do we find? In these new areas added to the provinces of Ontario and Quebec there is an enormous wealth developed especially in mines and forests, and the revenues to the provincial governments have been likewise greatly increased. These are things which should warrant my fellow members from Ontario and Quebec in giving consideration to the claims which are made by not only British Columbia but the three prairie provinces.

I come now to the particular problem of British Columbia. In 1849 Vancouver Island was granted by letters patent to the Hudson's Bay company, but it reverted by purchase in 1858. The mainland of British Columbia had been licensed for certain purposes to the Hudson's Bay company and it had likewise reverted, so that by the time the province joined confederation in 1871, British Columbia was in possession of its public domain, and all the soverign rights, within the confines of the boundaries of British Columbia. By the act of 1871 our province became a member of confederation and under that act certain lands known as the Dominion railway belt were conveyed to the Dominion government in trust for certain specific purposes, namely, to aid by a forty mile belt across Canada in the construction of the Canadian Pacific railway, the building of which was part and parcel of the terms under which British Columbia was willing to unite with the other provinces.

Then followed a number of events into which time does not permit me to go, events and acts on the part of the federal government denying or failing in their obligations to carry out the terms of union of 1871. I would draw the attention of hon. members to the peculiar political position that existed at that time. The scheme of financing the Canadian Pacific railway was changed in 1880 by the Canadian Pacific railway syndicate. The original scheme was the granting of a strip of land twenty miles on either side of the railway right across Canada from Vancouver into Ontario, but by the new proposal the Canadian Pacific was to receive 25,000,000 acres of land in alternate sections, all situate in the northwest territories, together with a cash allowance of $25,000,000, although the cash subsidies ultimately amounted to $62,250,000. When that change took place, the railway lands, by virtue of the trust under which the Dominion government held them, should properly have reverted to the province of British Columbia. In fact, the province of Ontario passed an order in council, but it never became effective, to enable the transfer of the lands by virtue of that arrangement, and the government of Canada took steps to introduce legislation for setting aside a forty mile strip right across the prairies in respect of the Canadian Pacific. Now the claim which the province of British Columbia makes is that the failure of that trust, in that the lands were never used for that purpose, entitles the province to a return of their lands, seeing that Ontario and the government of Canada kept their lands.

Without going into details, I should like to refer to the second claim that we have, which relates to the lands in the Peace river block. In 1874, when the government changed and a Liberal government came into power, terrific opposition to the completion of the Canadian Pacific railway developed, and men like Hon. Edward Blake and other leaders of that time were strongly opposed to complying with the demand of British Columbia. In 1884 under the Settlement Act, by reason of the peculiar political situation the province of British Columbia was obliged to make further concessions, and these concessions were to give further lands called "lieu lands" in the Peace river block, presumably to take the place of the lands in the railway belt along the Canadian Pacific railway which were not good for agriculture, although the terms under which these lands were granted made no reference to the lands being good for agriculture or not. As a result, the province was forced to part with another 3,500,000 acres. Then by the same act the province had to part with another 2,000,000 acres of land to bring about the construction of what is called the E. & N., the Esquimalt and Nanaimo railway on Vancouver island, a railway which was to have been constructed under the general scheme in connection with the terms of union. The disputes had been referred to Lord Carnarvon, and what was known as the Carnarvon award was given in 1874, by which the Dominion government was to build that railway. The Dominion government refused to carry out that award, and further negotiations took place, as a result of which the Dominion government offered to the province of British Columbia $750,000. The Dominion government failed to carry that out, and so these claims have accumulated—first, the Dominion railway belt, second, that of the Peace river block, third, that of the E. & N. railway belt, and then this $750,000 and lastly, the readjustment of our subsidy.

I wish to draw the attention of hon. members of the house to the extraordinary situation with respect to the subsidies paid to the province of British Columbia and the other provinces. I desire to quote from a memorandum prepared by R. E. Gosnell, who has done wonderful work in this connection starting as far back as 1891. He has continued exhaustive investigation under different governments and produced a great deal of valuable data. Mr. Gosnell says:

> In 1906 British Columbia's total subsidies amounted to $307,000. In 1906, the first year in which subsidies were paid to Alberta as a province, the following payments are debited to her in the public accounts:

[Mr. Ladner.]

Allowance for government	$ 50,000
Allowance of 80 cents per head	200,000
Debt allowance	405,375
Allowance for public buildings	93,750
In lieu of public lands	375,000
	$1,124,125

In the same year a re-adjustment of subsidies generally was made, and Alberta and Saskatchewan came within the new schedule, although newly formed and without having borne the heat and burden of the years previously as other provinces had done. The allowance for government was raised to $190,000. In 1926, the payments made to Alberta and British Columbia were respectively:

Alberta

Allowance for government	$ 190,000
Per capita allowance	516,560
Debt allowance, interest on	405,375
Allowance in lieu of public lands	562,500
	$1,674,455

British Columbia

Allowance for government	$ 190,000
Per capita allowance	419,666
Compensation for lands in railway belt	100,000
Debt allowance	29,817
	$ 738,483

Or a difference as between the provinces of almost $1,000,000. Time does not permit me to give other examples, but they are numerous. As a matter of fact, in estimating the expenditures made by the Dominion government with respect to British Columbia since 1871 and the contributions made by the province of the Dominion treasury, we find a balance in favour of the province of British Columbia of over $150,000,000. I would point out with regard to the construction of the Canadian Pacific railway that it was first contemplated that it would be a failure and a heavy expense to the rest of Canada, but the fact is that the railway proved just the reverse; it proved a great success; it proved to be a system of national importance without which there could not have been Canada as we have it to-day.

Following the Settlement Act of 1884 and the completion of the railway, the people of British Columbia at once realized that the superior political and economic prestige of eastern Canada had forced the small population of British Columbia to accept terms which were not only unfair and unjust but were in direct breach of the terms under which British Columbia joined confederation; and so as early as 1891 and 1894 and 1895, we find articles appearing in the local newspapers complaining of this injustice, particularly several strong articles written by our friend R. E. Gosnell. By 1901 public opinion had become fairly strong with respect to this problem and Hon. James Dunsmuir, Premier of

British Columbia, and Mr. Eberts, presented their views to council at Ottawa: In 1902 Messrs. Prior and Eberts, and again in 1903 the late Charles Wilson, K.C., and R. F. Green, now Senator Green, appeared and presented their views to the Ottawa government. By 1906 the question had assumed primary importance in the public mind of British Columbia, and we find that Sir Richard McBride prepared an exhaustive memorandum on the subject, which was presented to the interprovincial conference of 1906. By the power of his advocacy, the strength of his personality, and the justice of his cause, he was able to prevail upon the conference and the government of that day to make a special grant to the province of $100,000 per year for a period of ten years making in all $1,000,000. This was the first tangible recognition which the federal authorities had given to the claims of British Columbia.

In 1907 Sir Richard McBride went to London to endeavour to secure an alteration in the terms of certain legislation which was then being presented to the imperial house. He succeeded in having eliminated the words "final and unalterable" which otherwise would have forever stopped the people of British Columbia from asserting their claims before the parliament of Canada. Upon his return—and I refer to this phase to indicate the importance of the question in the public mind—he was given a great welcome. This is apparent by a glance at the newspapers of that day. I have before me some of the original clippings, and this is a specimen of the headings:

Premier McBride Welcomed on his Return from London.

British Columbia's Chief Executive was given a most enthusiastic reception in Vancouver last night—Greetings of goodwill showered upon him by Thousands of Loyal Citizens.

The London Times also printed a column describing Sir Richard's work and its results. In 1907, speaking on July 19, he made the following statement, which I commend to the consideration of the government and to the people of Canada:

I say again, ladies and gentlemen, this is not a party question. I am not talking as a Conservative to Conservatives, but as a Canadian to Canadians. I say to the people of British Columbia that they should legitimately follow up their grievances and carry them to Ottawa.

We are here to-day, Mr. Speaker, the successors in public trust of Sir Richard McBride to "carry these grievances to Ottawa." Some of these grievances will be removed to a considerable extent if the report of Mr. Justice Martin is implemented in legislation.

I wish now to show the connecting events between 1907 and the present time. In 1913 the Borden government appointed the Lash-Bodwell commission to inquire into the claims of the province, but owing to the war that commission did not function. In 1918 an interprovincial conference was held, but the claims of British Columbia were not on the agenda. The Hon. Mr. Oliver and the Hon. Mr. Pattullo were present, but the conference dealt almost entirely with the question of the natural resources of the prairie provinces, and the claims of British Columbia did not receive consideration. During the four years following practically nothing was done. The Liberal party came into power in British Columbia in 1916. From then until 1922 scarcely any move was made with respect to this important question. In the session of this parliament, after a conference with my fellow-members, including the hon. member for Victoria (Mr. Tolmie), I presented to this house on the 22nd and 23rd of March, 1922, an historic review of the case for British Columbia with regard to its claim for better treatment, going very carefully into all the different features. We then urged upon the federal government that they should take some action, either by appointing a royal commission or by returning these lands to the province. However, no action was taken. Another four years passed by, and finally on January 26, 1926, after another conference with the hon. member for Victoria and my other fellow-members, I placed before the people in the press a proposal for the solution of this claim. I have not time to go into the details, but it involved the settlement of the Peace river district, the taking over of the government railways of Alberta and British Columbia, and a grant of lands to the railways to indemnify them against possible loss. The proposal also requested the Dominion government to consider the claim which British Columbia had for a return of the Dominion railway belt as well as the Peace river block and the making of the adjustments which we demanded. Again nothing was done, and on January 28, 1926, the hon. Mr. Oliver replied to my proposal and intimated that his government also was willing to take action in the matter. Then on February 3, 1926, the hon. member for Burrard (Mr. Clark) presented a formal motion for the return of the Dominion railway belt and the Peace river block. Still the government took no action. On February 6, 1926, in a prepared speech delivered in the city of Vancouver before the Canadian Club, the late Mr. Oliver for the first time, on behalf of his government, advocated and thereby accepted the policy for which the Conservative

party had been fighting for years, and stated his intention to press the case of British Columbia before the government at Ottawa. The matter was further discussed by myself in the house on February 19. Various newspaper reports and editorial comments followed, but nothing was done by either the federal government or the provincial government.

In November, 1926, a Conservative convention was held at Kamloops, and to its credit—and to the satisfaction of the people of British Columbia—this enthusiastic convention of 542 delegates unanimously offered the provincial leadership to our distinguished fellow-member for Victoria. As an act of service to the party and to the country he accepted the leadership, although it will involve the sacrifice of setting aside his opportunities in the parliament of Canada. Immediately thereafter the hon. gentleman, realizing the importance of the claims of British Columbia for better terms, placed on the order paper a formal resolution, not at that stage asking for a return of the Dominion railway land and the Peace river block and the other adjustments, but appreciating how complicated these questions were, he urged that a royal commission should be appointed with power to inquire into and report upon the claims of the province of British Columbia with respect to the Dominion railway belt, the Peace river block, Indian lands, annual subsidy and any other matters in dispute between the province and the Dominion of Canada. That resolution remained on the order paper for some months. On January 10, 1927, the late Mr. Oliver placed on the order paper of the provincial house a resolution formally declaring that his government would support vigorous action along constitutional lines for the purpose of securing for the province of British Columbia just and equitable treatment from the government of Canada. At that time the Minister of the Interior (Mr. Stewart) became interested, and a series of conferences took place between him and the hon. member for Victoria, myself, and other Conservative members. As a result the government agreed that if the hon. member for Victoria would drop his resolution they would appoint a royal commission. And here I want to commend the administration for the broad and equitable spirit in which they accepted the proposal of the hon. member for Victoria. They took action and on March 14 an order in council, No. P.C. 422 was passed appointing the hon. Mr. Justice Martin of Regina, a judge of the court of appeal of Saskatchewan, a commissioner to inquire into this question. His instructions were:

[Mr. Ladner.]

To receive and inquire into the arguments of the government of the province of British Columbia in support of its claim for the reconveyance to the province by the government of Canada of the land conveyed by the province to the Dominion pursuant to paragraph 11 of the terms of union, and such evidence as may be material to the consideration of such claim by the government of Canada, and to report his findings thereupon to your excellency in council.

Let me point out, Mr. Speaker, that the commissioner was very much circumscribed in his activities, unlike the maritime commission, which was instructed to inquire into any question in respect to which the maritime provinces felt they had a grievance. The commissioner had no authority to inquire into and did not deal with the question of the provincial subsidies nor the Esquimalt and Nanaimo railway land grant on Vancouver island, but he made certain findings, and I read the concluding words of his report:

The situation, in my opinion, requires that the subject be dealt with keeping in mind the broad principles of fairness and justice which should always characterize the dealings of Canada with her provinces. When, therefore, it appears that British Columbia has not only contributed, as part of Canada, its share of the cost of the undertaking, but has also conveyed to the Dominion, for the furtherance of the construction of the railway large tracts of land, and that no other province contributed lands for the purpose, justice requires that the province be placed in the same position as the other provinces with respect to a great national undertaking, and the lands conveyed to the Dominion for the purpose, namely, the railway belt and the Peace river block, restored to the province. Moreover, the province has now all the resources within its boundaries with the exception of these lands, and has the machinery necessary for their administration.

All the citizens of British Columbia appreciate the findings of the commission, but they would appreciate still more legislation from this government to carry into effect the recommendations of the commission. Let us consider for a moment the attitude which the two parties have taken respectively in regard to this question and the long and tedious fight that has been put up for better terms for that province. We find that at conventions of the Liberal party in British Columbia in 1915, 1920 and 1924 there was never any reference to the subject, either by resolution or declaration of a policy. No policy was adopted by that party. On the other hand, we find that from 1901 to 1927 the Conservative party has constantly and aggressively advocated the claims of British Columbia for better terms. I refer particularly to the convention of the Conservative party in British Columbia in 1907. In that year the first plank of the platform was:

The members of this convention desire to place themselves on record as emphatically

endorsing the course of the government of British Columbia in connection with the advocacy of better terms for this province. They hereby pledge themselves to strongly support the continuation of the struggle for better terms until brought to a successful issue, and the rights of the province fully secured.

Again in 1926, at the time the hon. member for Victoria was elected to the leadership of the Conservative party in that province, a series of resolutions were passed strongly advocating action endorsing the traditional policy of the party in connection with British Columbia's demand for better terms. I will not take time now to read these resolutions, which are to be found in the report. But immediately on the arrival of the hon. member for Victoria in Ottawa a resolution was placed on the order paper requesting the appointment of a commission, and to the credit of the government that commission was granted.

And now in closing may I ask the government not only that they carry out by legislation the finidings of this commission, but that they give consideration to the equally important question of subsidies to the province. I believe this question has been discussed at different interprovincial conferences, and I venture to think it will be discussed at the next interprovincial conference. So far, however, nothing has been gained, and British Columbia remains the most unfairly treated of the provinces. I would remind you again, Mr. Speaker, of the great concessions which have been given to the two older sister provinces of the Dominion, Ontario and Quebec. Ontario, to-day, is practically two and a half times the size of that province at the time of confederation, while Quebec has increased to nearly four times the size it was then, notwithstanding that no quid pro quo has ever been given to the federal government. The lands whereby these two provinces have been increased are lands in which every other province in the Dominion has a proprietary interest, and I remind the house that, from these great additions that have been given to the two provinces in question, enormous revenues from royalties on minerals and forests have accrued to the provincial treasuries. I think that hon. members and the government will realize the fairness and the equity of British Columbia's claim to better consideration when it comes to a readjustment of the question of subsidies.

Mr. K. A. BLATCHFORD (East Edmonton): I hesitate to make my first speech in the House of Commons and I trust that hon. members will bear with me under the circumstances. I have no set speech to deliver, nor have I prepared anything particularly; but I take it for granted that I was elected to come here and give to the house my opinion on questions as they appear to me. Naturally I shall spend most of my time discussing matters pertaining to western Canada. There are very few Liberals in the house from the west and I have been sometimes criticized for being absent on many occasions. Hon. members must bear in mind, however, that there are only two private Liberal members here from Alberta, British Columbia, the Yukon and the Northwest Territories, so that when anybody wants to write to a Liberal he usually writes either to the hon. member for Medicine Hat (Mr. Gershaw) or to myself.

I regret very much not having heard the speech delivered the other day by the hon. member for Vancouver North (Mr. McRae). From a reading of the hon. member's address as reported in the newspapers and in Hansard it appears to be a masterpiece; and on paper the scheme suggested by the hon. gentleman seems on the surface to be a fine business proposition. Of course, when one says "three hundred millions" rapidly it does not strike one as being so enormous a sum. But when you undertake to collect $300,000,000 from the people and the settlers of the country, I know one man at least who will object; and I know, besides, a lot of pioneer homesteaders in the west who will refuse to subscribe to such a proposition. I quite agree that the hon. member for Vancouver North could carry out such a project to a satisfactory conclusion; he is a big business man and has undertaken such schemes before. But I, like him, believe that the homestead law is the most obsolete, antiquated, old-fashioned piece of legislation on the statute books of Canada to-day. What do you suppose you have to do, under present regulations, to get 160 acres of land? You put up $10 with the government against that 160 acres, on which you must sleep six months of the year; and you must do this for three years. You sleep on it six months of the year for three years, break fifteen acres, put up a shack, eat flapjacks, and finally come out a blithering idiot. It is not life; it is worse. The poor bachelor who goes there returns broken-hearted and broken in health, and the man who would take a woman to such a place to live under the conditions that obtain is not a man. I went through the mill and I know; I bet my $10 against the 160 acres and I won. I did it to see whether it could be done. There are some homesteaders to-day who are prosperous men, who might say, "You do not know anything about farming now." Well, I may not know so much about it now, but I may say that I was born on a farm; I went to the west in a Red River cart, and I saw that country grow from a bald-headed

prairie to a place dotted with cities and towns, with ribbons of steel in every direction, and telephone and telegraph lines gradually going up everywhere. I know, therefore, what the early pioneer had to contend with in those days, and I can picture to myself very well what the pioneer in the Peace River district has to put up with when homesteading.

Now I will submit a proposition which, while some people may laugh at it, I believe can be worked out with careful consideration. Let me state it in a nutshell. Give any man or woman 160 acres of land on the strength of a guarantee to the government that they will break and fence 50 acres, build a house and barn according to plans and specifications laid down by the government, and at the end of three years secure clear title to the property. This is not impossible, because a man working for the railway or in a bank could stay on his job and have the work supervised by government managers of some description. At the end of three years he would have a farm worth not $1,500, the amount he would have to pay in improvements, but worth, if the country were settled, $5,000. Under present regulations however, a man wishing to acquire such a farm would have to quit his job and go on the farm, sleeping there, as I said before, for six months, so that when he came back he would find his job filled—in short, he would be fired. I think a scheme of that kind could be worked out to advantage; there are people in Ottawa to-day who would gladly invest in a savings bank proposition of that nature, because if there is anything a person likes to talk about it is owning a piece of land, a ranch or a farm.

With reference to the $300,000,000 which the hon. member for North Vancouver proposes to gather in taxes, that could be used to good advantage if it were necessary—and it is necessary to a great extent—in building railways to the coast; to build an outlet; in building branch lines, which are badly needed; in building terminal elevators in the interior, of the Peace river country as well as on the Pacific coast. To-day farmers are hauling their grain from fifty to one hundred miles in four-horse sleighs to Spirit River, Grande Prairie and Peace River at a cost of 35 to 50 cents per bushel. I will ask the hon. member for Peace River (Mr. Kennedy) if this is not so. When the farmers arrive at the rail head the elevators are very often blocked; they have no place for their grain, and the grain buyers have control of the situation so far as grades and prices are concerned. Terminals should be built in the interior where they have limited elevator space, and on the Peace river, a big, navigable stream; coal bunkers should be built on the Pacific coast for Alberta coal—the greatest coal fields in existence.

In addition to that, a great deal of this money could be used in assisting immigration into western Canada. We now assist immigrants from Great Britain, why should we not assist our own Canadians first, along with those who have gone to the United States? They are the cream of the earth, as we all know; they have gone to the United States during hard times but they are anxious to come back and would be glad to do so if they had a little assistance and a farm ready for them to work on. If an immigrant comes to this country with $500 or $1,000, he has enough capital to buy a team of horses, a plough and a wagon; he can go to work and get his crop off the first year, and fifty acres will support him if he is not too extravagant. I believe something should be done to bring back the Canadians who have gone to the United States; our own native sons should be assisted first, and then we should go to foreign fields. I do not think we should go abroad and spend a great deal of money in immigration when we have people here in Canada only waiting for a chance to go on the farms; they usually make good farmers.

I would go even further than the hon. member for North Vancouver has gone in opening up the west and the northwest. I have talked it over with the Minister of the Interior (Mr. Stewart), and I suggest that the doors of the Northwest Territories be opened wide, and that persons interested in mineral development be allowed to enter that country and survey it thoroughly. I would suggest also that the country be checker-boarded as is done for homesteading; that 5,000 square miles be set aside for any man or group of men who will put up a $50,000 bond with the government and guarantee to spend $50,000 within three years. That man naturally would need a hydroplane with which to take his prospectors into the country; the day of the prospector with pick and shovel and grubstake on his back has gone. I worked in the Kootenay country in the early days when the prospectors who went into those hills were young fellows, but to-day they are all old men; the young chaps do not follow the former system. With the checker-board idea of developing the Northwest Territories, which no doubt is the best mineral belt in the world, every man or company taking over 5,000 square miles of land would need a hydroplane with which to transport his prospectors and his grubstakes, and the work

would have to be done in the summer time. The prospector staking a claim would have an interest of 10 per cent in any mineral wealth discovered, which would give him some protection. It would not be fair to a company to spend money exploring the wilderness only to have some of his employees take the best mine and leave him high and dry. I am quite sure that if the Minister of the Interior will agree to a proposition along this line which has been already submitted to him the result will be the opening up of the Northwest Territories in ten or fifteen years instead of the one hundred years it will take under present conditions. I am sure parties could be sent in from Hudson bay to work west, and I have a guarantee from a firm worth millions of dollars, that they will put in other parties from the head of Slave lake and Bear lake to work east. As conditions are at present, even if a man discovers a mine it is no good to him out there in the great open spaces where only Eskimos live. You have to discover many mines, and if a high pressure survey were made you might discover sufficient mineral wealth to justify the construction of a railway from Nelson through to the head of Bear lake or Slave lake, where you have water transportation to the outside world. I feel inclined to submit such a proposition to the government and to ask them to give it some consideration. Personally I would support it, and if it were worked out in detail I think every member in the house would be in favour of it.

The oil regulations should be treated in the same way, because there is no doubt that Alberta has great oil resources. At the present time there is an oil well 1,500 miles north of Edmonton, or the same distance north of Edmonton that San Francisco is south of that city. This oil well was discovered quite a number of years ago, but it has been capped ever since because there is no way of using the oil and no way of getting it out to market. The oil regulations are so tied up with red tape that the big companies refuse to go into the Alberta field, and I would suggest that those companies be allowed certain territories in which they would agree to place a deep-drilling rig to test the area getting protection for a period of six months, so that gamblers could not jump in and stake leases next to the well. You must protect capital to a certain extent; while I do not believe in too much protection we must have fair play, and I am sure all these problems could be worked out in a way which would tend to the early development of the mineral and oil resources of the northwest.

Now, I would like to say just a word with regard to coal rates. I have been pleading with the government for reduced rates for a number of years and I was surprised to hear some of the members on my own side oppose the establishment of a rate from Alberta to Ontario. My good friend from Moose Jaw (Mr. Ross) had the nerve to get up and object to any rate being put into effect while he was sitting in this house. When the Hudson Bay vote came before the house last year it was supported by the Alberta members, although we do not expect to derive a great deal of benefit from the completion of that railway; some day it may be used for shipping cattle, but I am afraid it will not carry a great deal of our grain. At any rate we supported that vote, but now the hon. member for Moose Jaw objects to any rate on coal being established. The hon. member for Comox-Alberni (Mr. Neill) also objected. Can you imagine a man living on Vancouver island objecting to a coal rate being established east of the Rocky mountains? Our mines produce coal equal in quality to any you will find on the Pacific coast within 500 or 600 miles of British Columbia; we have never tried to invade that market because we were trying to enter Ontario first, which would naturally relieve the pressure so far as the coast market on the coast is concerned. The hon. member for Comox-Alberni, however, says, "No, no coal rate for Alberta coal to eastern Canada". I will tell him now, in the king's English, that so far as I am concerned, and speaking for the operators in Alberta, we are going into the British Columbia market whether he likes it or not, if we do not get into the Ontario market. We are making application to the railway board, but we have refrained from proceeding any further because you cannot ride two horses at once, and we thought we would ride into Ontario first.

Mr. NEILL: And then you will invade the other field.

Mr. BLATCHFORD: Certainly.

Mr. NEILL: That is just what I object to.

Mr. BLATCHFORD: We are going into that field anyway.

Now I would like to say a word or two with regard to immigration. I think the Minister of Immigration (Mr. Forke) has a big job to handle, and in my opinion he is handling it pretty well. Everybody is trying to advise the minister. Everybody has a friend he wants to bring into the country, and the minister is worried to death at all times.

I repeat that I think he is making a very good job in handling the situation under the present circumstances. According to railway figures we have a great field to populate with people that want to go on the land. It is a well known economic railroad law that it is not possible for railroads to be remunerative unless the population per mile of railway is 400 or over. In Great Britain the population per mile of railway is something like 2,000, but of course the conditions over there are entirely different from what they are here. Conditions in Australia and the United States, especially the latter, are similar to those in Canada. As far as population is concerned, Australia is in a somewhat similar position to Canada, as Australia's population per mile of railway is 250. Canada's is about 225 or 226, while the United States has 250 per mile. Of course in the eastern section of Canada the population per mile of railway is satisfactory, but, taking the country as a whole it amounts to only 225 or 226. While in some parts of the east there are more than 400 people per mile, yet in the west and other outlying districts there are not more than 126, and in some sections even less. It is recognized that each settler, once he is permanently located, is worth from $500 to $700 per year to the railroad. England has a population of about 700 per square mile, Scotland 160, France 187, Belguim 658, Germany 348, Denmark 220, and other European countries in proportion. Of course, in those countries the population is so great that they are not able to produce sufficient to feed the people and importation is necessary. The United States, however, which is quite able to produce sufficient for its own requirements, and even more, has 35 people per square mile. There is a vast difference between the density of population in Europe and in the United States. We all admit that if the United States is able to provide for the requirements of 35 people per square mile, Canada should be able to do the same. The population of Canada per square mile is less than three people—not crowded, you will admit. As Canada is larger in area than the United States, if we had the same number of people per square mile, namely, 35, Canada would have a population of 126,000,000 people. Now I feel like using the words uttered by the Speaker when he finishes prayer every day in this house. I feel like saying "Let the doors be opened." Let the capital flow into the country, bring in immigration, open up the mineral regions in the Northwest Territories, and then Canada will be placed on the map as a country in the eyes of the other nations of the world.

At six o'clock the house took recess.

[Mr. Blatchford.]

After Recess

The house resumed at eight o'clock.

Mr. O. B. PRICE (Westmorland): Mr. Speaker, before offering any comment on the budget as presented by the Minister of Finance (Mr. Robb), I should like to make a few observations in regard to the remarks made by the Minister of Railways and Canals (Mr. Dunning) a few days ago concerning the gateways at Ste. Rosalie and St. John, with which he coupled the party to which I belong, the Conservative party, and as regards which he left with the house the impression that we, as supporters of his majesty's loyal opposition, were opposed to the closing of those gateways. I can speak only for myself, but I may say that the people of the maritime provinces have always had a deep appreciation for the Minister of Railways, particularly since he has pointed out what the aims of the people of the maritime provinces have been in the past and now that he has told us what they will be in the future. The minister observed when he first came to this house, or possibly before he had taken his seat, that the people of the maritime provinces had three things in view: to be born in the maritime provinces, a free ride on the Intercolonial railway, and to die in the maritime provinces. I am sure that those kind remarks of the minister will not be forgotten in the very near future, and we thank him sincerely for his observations.

Mr. DUNNING: I suppose it is unnecessary for me to deny that again.

Mr. PRICE: With regard to those gateways which existed in years gone by, for reasons which have already been pointed out by the minister, I might say that the amalgamation under the direction of the Right Hon. Arthur Meighen, of these railways as the Canadian National system under the management of Mr. D. B. Hanna had taken such form, and the mileage of these railways and the vast territory which they served, made the national railways of such dimensions, that it was not necessary perhaps further to continue the gateways. I have been against the opening of these gateways. I believe the Intercolonial, which is a portion of the Canadian National railways, is entitled to every bit of business it can get. It is the people's railway and we wish to see the people's railway flourish. I believe it will flourish in the future, although it has not done so in the past.

I wish also to make some observations with regard to the present direction of that railway or the policies which are being carried

out. The management have made a good start, but a little more activity on the part of the men connected with the industrial and colonization departments would do much to bring about better conditions and make the branch lines better feeders than they are to-day. There is not sufficient co-operation between the farmers of this country and the railway officials. It is true that in the past very little attention has been paid to the farmers, but I believe the railway officials should become acquainted with them. They should go into the country districts and assist them in the difficulties with which they are contending at the present time. Better co-operation would exist and better results would obtain if that relationship were promoted a little further and more activity shown along those lines. I am sure there are hon. members on both sides of the house who realize that in their constituencies there are matters with regard to railway sidings, loading platforms, and so on, where if a little more elasticity were shown and a little more consideration given to the people who are endeavouring to patronize the railway as best they can, the result would be very much in the interests of the country and the railway.

I have in mind at the present time an instance in my constituency at a small place called Fawcett Hill, on a branch of the Canadian National. At that place there has been built by a creamery company a small storage plant, a cement block building, which is really a credit to the locality. These people have endeavoured from time to time to have a loading platform built, and while there are, as we all know, rules and regulations governing the erection of platforms, the placing of sidings or whatever other construction may be in the interests of the people and for their service, at the same time the railway might afford these people a better opportunity of loading their freight. During the past few months they have not had an opportunity of placing their freight on the railway owing to the fact that this loading platform has not been constructed. There is another reason why they have not been able to give the railway any business. They are willing to go to almost any length to get a market for their produce. This creamery company have had in storage for the last three months creamery butter which they are unable to unload owing to the fact that at Halifax, where they usually sell their butter to wholesalers, they have had to compete with butter from New Zealand. In this connection these people have been handicapped both through lack of facilities and through a lack of market due to the policy of the present Minister of Agriculture (Mr. Motherwell). I do not know just how the minister feels about the matter, but he certainly cannot be very much elated over the fact that these people have been seeking a market and cannot get one. This does not stand to the credit of the minister, and he should make some provision whereby these people will get relief.

Let me read this resolution passed by the farmers of my district in connection with this matter of butter:

> Resolved, that the New Brunswick Farmers' and Dairymen's Association endorse the resolution passed unanimously by the New Brunswick Dairymen United on January 9, 1926, asking the Canadian government to restore the customs duty on butter entering Canada from Australia as it was previous to the Australian trade treaty agreement effective October 1, 1925, and order in council allowing the New Zealand butter and cheese the same privilege.
>
> Further resolved, that the dumping clause be immediately applied on all butter coming in from Australia and New Zealand, whether on direct sales or on consignment.

At the annual meeting of the Farmers' and Dairymen's Association held in Moncton, March 3, 1928, the following resolution was adopted:

> That in the opinion of this assembly the sale of the New Zealand and Australian butter competing with our farmers is disastrous to the best interest not only of the farming avocation of this province, but to the best interest of Canada as well.
>
> JOHN E. WOOD,
> Chairman,
> R. R. No. 2 Moncton.
>
> FERDINAND E. BOURGEOIS,
> Secretary,
> St. Anselme, N.B.

There is another matter with regard to the importation of New Zealand butter. I do not know whether it is correct or not, but the statement has been made that preservatives are allowed to be put in this imported butter. That is not permitted in Canada.

This afternoon the Minister of Agriculture made an attack upon the Conservative party for permitting the importation and manufacture of oleomargarine in Canada. I do not think the minister's remarks were becoming to a man holding the position he does. The use of oleomargarine was permitted as a war measure on account of the shortage of fats. The Canadian and British troups used oleomargarine solely because butter was not obtainable. Oleomargarine was later voted out of this country in the House of Commons here, and that settled it so far as the Conservative party is concerned. Oleomargarine is not butter, but it was a good substitute for the man who was not able to buy butter at

a high price, and the right to buy it is granted in every country in the world except Canada. On the other hand, the competition with New Zealand and Australian butter is a great menace to the dairy trade of this country, particularly because grass butter, which has always a better flavour, is brought into competition with our own winter products. It is packed and sold by experts in the business, and while in one year the consumption of oleo fell from fourteen million pounds to two and three quarter million pounds as butter became cheaper, the importation of Australian and New Zealand butter is vastly increasing in volume, and is proving a real menace at only one cent per pound protection.

The Minister of Agriculture, however, told us nothing about his famous rancid butter bill, which he introduced on May 7, 1923, and in which he proposed that butter in all stages of putridity should be allowed to be taken into establishments where it would be thoroughly laundered. The process which was proposed was to melt it by heating, skim off what filth they could, wash it several times with clean water, churn it with milk to give it the lactic acid flavour which all butter possesses, colour it to make it look like butter, granulate it by spraying it with cold water when hot, so that it would have the butter fracture; then cut it into blocks and sell it for butter.

Mr. MOTHERWELL: You should have had that typewritten. You could read it better than the handwriting of the hon. member for Victoria.

Mr. TOLMIE: You cannot show my handwriting on that.

Mr. PRICE: The peculiarity about this rancid butter was that the worse it smelled, the cheaper you could buy it. But in the process of putrefaction which it had gone through, the fat cells would be broken down and its keeping qualities impaired. Note what injury this would be to our export butter trade in the event of this butter being mixed with some other butter and sold for export. While the minister makes a great row and treats us to some of his farm yard buffoonery this afternoon, he says nothing about his famous stinking butter bill, which gave him a reputation much like the proposed process butter from one end of Canada to the other.

The hon. Minister of Railways, speaking in the House of Commons, on February 29th, referred to a committee of the United States senate and quoted from their report as to conditions existing in the Pennsylvania coal belt, which he described as a "blot upon American civilization". The report states:

> The committee found men, women and children living in hovels, which are more unsanitary than modern swine pens—they are breeding places for sickness and crime.

The minister went on to point out the industrial depression in the United States. I would warn the minister that his remarks concerning that country may not meet with the approval of his leader, whose friendliness to the country to the south of us is well-known. He may consider it dangerous to utter such statements as they may lead up to the severance of diplomatic relations. But of course we have our minister plenipotentiary at Washington, whose services could be requisitioned. I would suggest that the Minister of Railways keep tab on the situation, note whether the government of the United States can devise any means for overcoming those conditions, and report back to the house.

We all know what has occurred in Canada as a result of tinkering with the tariff in the last few years by the present government. The Minister of Railways has spoken of conditions in the United States. I wonder if he would care to hear something about the conditions in Canada, which apparently he has not heard of. I quote from the Canadian Congress Journal:

> The city of Vancouver has warned workers against going there and has found it necessary to undertake numerous relief works. Winnipeg reports practically 80 per cent of building trade employees out of work, with many others who have crowded in from the western farms totally unprovided for. Toronto reports the greatest list of unemployed registered at the employment service offices for many years past and attributes this to workers being attracted to that city by false reports of a building boom. The Ottawa press comments upon the significance of nearly a thousand workers being on hand at a few hours notice seeking to earn a little money by a removal of snow after a recent severe storm and states that this shows conclusively the existence of severe unemployment in that city. Montreal federated charities report their services overtaxed and find themselves unable to cope with the destitution in that city caused by continuous unemployment. Again, thousands of miners in Nova Scotia are being forced to look to their unions and the public for relief and at the time of writing both the federal and provincial governments are being urged by the municipalities in that district to take immediate action to relieve the situation; and so on throughout the country.

But I presume, Mr. Speaker, you might as well appeal to a Japanese wayside idol as to this government.

The woollen industry has been very fully discussed by hon. members who are thoroughly familiar with it, and they have referred to the fact that many factories have had to

close down since this administration began to tinker with the tariff. Every hon. member opposite knows this pretty well. But the government will not alter its course except temporarily in order to retain the support of certain hon. members. An appeal was made to the Minister of Finance on behalf of the Consumers' Cordage Company of Dartmouth, pointing out the dire need for tariff relief by way of a very moderate duty on half inch rope and under. The reply was that it would be turning a complete somersault to adjust the tariff to the extent requested.

I shall not attempt to enumerate all the factories that have suffered as a result of the tariff tinkering of this government; for it would take several hours to do so, but I may mention a few for the information of the house that have closed down: Canadian Western Woollen Mills, Vancouver, closed in 1926; Renfrew Woollen Mills, Renfrew, in 1927; the Gulf Textiles Ltd., Isle Verte, Quebec, in 1924; Amherst Woollen Mills, Amherst, N.S., in 1923; Ernestown Woollen Mills, Odessa, Ontario, in 1927; Hawthorne Mills Ltd., Carleton Place, Ontario, in 1927; Pembroke Woollen Co., Pembroke, Ontario, in 1925; T. H. Taylor & Co., Chatham, Ontario, in 1925; Harris & Co., Rockwood, Ontario, in 1925.

Mr. POULIOT: May I ask the hon. gentleman a question?

Mr. PRICE: Boyd, Caldwell & Co., Appleton, Ontario, closed down in 1925; Boyd, Caldwell & Co., Lanark, Ontario, in 1925 also; Randle Bros., Meaford, Ontario, in 1924; Shawville Woollen Mills, Shawville, Quebec, in 1926; Harrison Bros., Owen Sound, Ontario. also in 1926; Collies Ltd., Kingston, Ontario, in 1924; Albert E. Morrison, Brownsburg, Quebec, in 1927; Clarke Blanket Co., Dundas, Ontario, in 1926; Philip Dontigney, Arnprior, Ontario, in 1927; O'Hare & Sons, Midland, Ontario; Baltimore Woollen Mills, Baltimore, Ontario; Madoc Woollen Mills, Madoc, Ontario, in 1927. There are also woollen cloth mills operating about half of their spinning and weaving machinery in Perth, Toronto, Campbellford, Almonte, Cape St. Ignace, Simcoe, Brantford, Paris, Wellesley, Way's Mills, Oxford, Moncton, St. Croix, Bracebridge, Preston, Warwick, Merrickville, Lindsay, Dundas, Barrington, Chicoutimi, Glen Williams, Sherbrooke, Water's Falls, Elmira, Upper Stewiacke, Benmiller, Athens, Chesley, Trenholm, Renfrew and Joliette. Many of these are operating at a loss. For instance, the Humphrey Woollen Mills at Moncton have been running at a loss ever since the government started tinkering with the tariff.

Mr. POULIOT: May I say a word?

Mr. SPEAKER: Order.

Mr. PRICE: The proprietor has kept his mill running to give the people employment, but this has been possible only by reducing the number of working hours, with of course a consequent reduction in the wages earned. Several other institutions have had to adopt a similar course as a result of the serious tariff tinkering since this administration has been in office. I wonder, sir, if the government pay any attention to the closing down of these factories. What investigation is made as to their failure? Is a record kept of the Canadian employees who find it necessary owing to the closing of our factories to cross the border to the United States? Not one factory should close without an investigation being made and a remedy, if possible, applied to bring about its reopening. If the government would care to accept a suggestion, I would propose that they take this course. I think it is due the people of Canada that we should seek to utilize the skilled labourers whom we train; employment should be provided for them in their native country. On many occasions mothers and fathers come to me imploring me to find employment for their sons and daughters. These young people have been educated in our institutions, and we have some very excellent ones in my constituency—Mount Allison university and the university of St. Joseph. Mechanics who have served their time in the Canadian National railway shops at Moncton are forced to seek a livelihood to the south. The best that the Canadian National Railways can do for them under the condition brought about by this tariff tinkering is to furnish those young men, after they complete their apprenticeship as machinists, painters, boilermakers, carpenters, and so forth, with a pass to the boundary line. Under the Liberal-Conservative administration which preceded this government 90 per cent of those young men were taken care of in the Moncton shops. The payroll at that time was far and away above the payroll which now obtains both in the general offices and in the shops at Moncton. To-day we have thousands of dollars' worth worth of machinery idle in a city where the best railway cars in the country can be manufactured. I notice the hon. Minister of Railways (Mr. Dunning) smiles. Apparently he does not see the serious side of this state of affairs, but I really think, sir, that the hon. minister is suffering from a contraction of the muscles about the oral cavity. For the sake of his health I would recommend that some medical friend on his own side take

him in hand; but if there is no one available among his colleagues, I would remind him that we have an ample supply of medical gentlemen on this side of the house.

The people to whom I have referred, Mr. Speaker, would like to be employed in their own country, they would like to remain at home. There is one thing that will enable them to do this—the protection of our factories in the same way as their competitors are protected in the United States. That is what our industries are suffering from to-day, lack of protection. An example of how thoroughly the government of the United States protects its industries was cited by an hon. member on this side of the house a few days ago. He told the house how a shipment of Canadian materials was held in bond in the United States until the duty had been raised to such a point that the Canadian manufacturer had to take back the shipment, the price under the higher duty being prohibitive to his customer. Let me give the house a quotation from Toronto Saturday Night of November 14, 1925. This is not up to date, but it will give hon. members some idea of the procedure followed by the United States authorities in preserving their home market for their own manufacturers. I could give other citations, but I do not desire to detain the house. This is from the columns of Saturday Night:

> For instance, a Canadian house manufacturing Christmas cards had managed to pick up quite a trade south of the international boundary under a duty of fifteen per cent. However, this was not for long, as keen United States business men in the same line of trade called the attention of the proper official to the situation and instantly the import duty into the United States was raised to forty-five per cent and the Canadian manufacturer found himself out in the cold.
>
> Stapells-Fletcher, Limited, are Canadian manufacturers of ladies' dresses. An enterprising salesman while calling on the Windsor, Ont., trade resolved to venture into Detroit with the idea that perhaps he might land an order, even if the duty against him was fifty per cent. He did and came back jubilant. The gowns were shipped to Detroit, but alas they never got any farther than the customs house, for there the shipment was met by a special appraiser who instantly jumped the duty from fifty to ninety per cent, and the order in due course found its way back into the warehouse of the Canadian manufacturer.
>
> To quote one more instance, though no doubt firms by the dozen have had a similar experience. A. T. Reid & Co. manufacture neckware and dress accessories. Orders were taken in United States under the fifty per cent duty then ruling. But upon making delivery it was found that it had been suddenly raised to ninety per cent thus shutting them out of the market.
>
> Of course we have no right to complain over what Uncle Sam does with his tariff. That is solely his own business. However we may, I think, legitimately take issue with the manner in which we freely import like goods from the United States. For instance, in the fiscal year 1924 Uncle Sam sent us in cotton, silk and woollen clothing, designed for women and children, goods to the value of $4,318,000. Just the sort of things that our Canadian manufacturers were trying to sell in the United States. In the fiscal year 1925 the importation of a like class of clothing from the United States amounted to $4,069,000. Of course these figures take no account of smuggled goods of like character that have been pouring into this country.
>
> Under the circumstances it seems to me that in justice to our own people, and in view of the action of the United States customs department which makes it quite impossible for Canadian manufacturing concerns to invade the United States trade, our citizen workmen are entitled to the home market.

As against that policy pursued in the United States, their promptness of action and their desire to throw a protecting arm around their industries in order to keep them going and to retain their own labourers at home, giving employment to all their mechanics, what condition do we find in Nova Scotia, for example? There is the concern which I mentioned a few minutes ago, the Consumers' Cordage Company of Dartmouth, Nova Scotia, which is a subsidiary of a Montreal house. This company has been operating there for some years and employs about 200 workmen, a great many of them skilled mechanics. A request has been made of this administration for some protection on half inch rope—

Mr. RALSTON: May I ask the hon. gentleman a question?

Mr. PRICE: I will not be interrupted.

Mr. RALSTON: Is the hon. member in favour of a duty on fishermen's rope?

Mr. PRICE: Has the matter been adjusted? Have they been given protection?

Mr. RALSTON: I am simply asking whether the hon. member is in favour of imposing a duty on fishermen's rope.

Mr. PRICE: My time is going and I must proceed. In this case some protection might have proved beneficial, but so far as I know nothing has been done to alleviate the condition. Industrial expansion of any appreciative character will never materialise under the policy pursued by this government. It is a policy which is not in harmony with development; it is a "leave it to George" policy. It is disinterested.

In my opinion the government has been riding two horses, and those whom hon. gentlemen opposite have thought to be asleep are finding them out. I recall only a session or two ago when the lobbies were filled with members from the front benches of the present

administration all endeavouring to induce hon. gentlemen who sit in the far corner of the house to co-operate with them; but now that the government has secured a majority in the house over all its attitude is somewhat different and there is a tearing-away, a breach with these hon. gentlemen, which it will not be very easy for my hon. friends opposite to fix up. This government, I say, is riding for a fall; its day is coming. The government has called itself the "full dinner pail" party, and hon. members of that party appeal to the masses on that slogan. I know this for a fact because the appeal has been made time and again in my district: "We are the full dinner pail party". This is their advertisement on the billboards. But the remarkable thing about this "full dinner pail" party is that they always wait for some relief committee to fill the pail. They claim to be with the masses but they are not following the masses that are going across the line into the United States at the present time.

Now I want to say a few words with regard to the oil and gas industry.

Some hon. MEMBERS: Oh, oh.

Mr. PRICE: Hon. gentlemen opposite are laughing; I hope they are enjoying themselves, because what I have given them is certainly quite interesting and I have no doubt they will profit by it. While the proposed drawback of 50 per cent on seamless casing will bring a little relief to those oil companies using such material, no provision is made for an additional drawback on lap-welded casing, which is of a standard used but not manufactured in Canada and which I submit should be admitted duty free. Where certain materials are required for the development of our natural resources, in any case where that machinery is not manufactured in the Dominion and is needed for the rapid development of industry, I am of the opinion that we should admit these materials into the country free of duty. I do not think that there should be any discrimination as between one concern and another. It is not necessary for the shale oil people to dig down thousands of feet into the earth in order to ascertain the nature of the material that lies there and to discover whether or not it will give certain desired results. They import their machinery after determining the quality of their material. They have their material right at hand on the surface and by analysis are enabled to tell whether the oil is of a paying quality or not and whether it exists in commercial quantity in the shale. On the other hand, the oil fields operator has to import drilling machinery to explore and discover his oil or gas, doing so at an enormous expense and risk without any assurance of a return. And he pays a duty on all machinery used. Why should there be this discrimination? If machinery for obtaining by-products from shale enters the country duty free, I think the machinery for refining native crude oil should also enter free. We should give every opportunity to British capital to invest in industry here. British capital is only awaiting the opportunity if conditions are made equitable. If they are given a fifty-fifty deal they will come and spend their money in Canada. Near my constituency, across the river, the Acadia Syndicate Company of London, England, has spent millions of dollars, all British capital, in the development of oil and gas. The company requires special machinery in this country for the refining of oil and for the securing of by-products from the oil wells. We have self-pumping oil wells which are capable of producing some of the finest lubricating oils, kerosene, gasolene and other lubricants to be found anywhere in the world. In my opinion every opportunity should be afforded these people to expand, seeing that they are willing to spend money, and that they have endeavoured to test the different manufacturing materials in Canada in the way of casing, and so forth, entering into the development of these natural products of ours. They have tried the supplies of the manufacturers in Canada but some of these materials are not satisfactory for the operation of the wells. Therefore I believe the government would be well advised to allow these tools and drills which are necessary in the development of our natural resources to be brought in free of duty. The New Brunswick Gas and Oil Fields Limited have spent enormous sums of money in the discovery of oil and gas, and they have had to pay a high duty on material not actually made in Canada in order to exploit those fields. In addition, if this company desire to do their own refining and obtain the by-products, again they have to pay a high duty on refining machinery not made in Canada. The federal government should allow all machinery used in connection with exploratory work for oil to come in duty free. This would be a welcome encouragement to those engaged in the search for oil, and in a measure would help make up for the withdrawal of the bounty previously paid by the federal government on all oil produced. There is no doubt that in the future oil will become one of Canada's greatest assets, and it is my opinion that everything should be done to encourage the development of our oil fields, in order that wealth from that source may be

quickly obtained. Every assistance should be rendered to encourage the construction of refineries for the purpose of refining our own oil, with a view to making Canada independent of all other countries in that respect.

Before closing, sir, since I believe I have a few moments left, I should like to say a word in regard to the sales tax. Every head line reader throughout the country has seen this featured as a twenty-five per cent reduction, while as a matter of fact the reduction amounts only to one per cent. That means that on every $100 worth of material such as clothing and boots and shoes purchased by the man earning perhaps 30 cents an hour, he has to pay $3 through this tax. It has been stated time and again that this administration have reduced the sales tax, but we all know the history of that legislation. They wrung their hands and shouted "murder" when the sales tax was fixed at 3 per cent, but as soon as they came into power they raised it first to 4 per cent, then to 5 per cent and finally to 6 per cent. Now it is back to 3 per cent, and they claim credit for having reduced it.

Mr. LOUIS M. AUGER (Prescott) (Translation): Mr. Speaker, it affords me much pleasure to convey, in my mother tongue, to the hon. Minister of Finance (Mr. Robb) my very sincere congratulations on his budget proposals. It is but proper that a French voice from Ontario should join in the chorus of praises which arise all over Canada to celebrate the present administration, in order to show that the French element of this country, wherever it is found, can appreciate and support their truly national policy. The people of the riding which I have the honour to represent, rejoice in seeing the budget balance of $54,000,000, the decrease of $41,000,000 in the national debt and a reduction of about $19,000,000 in taxation.

Canada's prosperity is so obvious that even our opponents do not try to deny it. They will contend, however, that it must be attributed to Providence rather than to the wisdom of the government, or again they will contend that this prosperity is not enjoyed by all classes and localities. Mr. Speaker, since everybody acknowledges the very notable improvement in our economic situation since 1921, there is no need of discussing it, but when it is a case of pointing out the cause, I differ in opinion with the loyal opposition.

Our Conservative friends forget that the most important factor of any prosperity, is the power of human energy which, after all, is the efficient cause of all production. To increase its value by stimulating its courage and enthusiasm, is so to speak increasing its efficiency. I am happy to state that our government has thoroughly understood its duty and that not only has it soundly administered the affairs of the state, but moreover it has made it a point to encourage the people in their various activities, by giving proof of a national spirit, truly comforting and of a nature to inspire confidence and enthusiasm. Is it a question of internal problems, it kindly takes into consideration the grievances of each, grants what is just, stops dissensions, and restores union and harmony. Abroad, it asserts that Canada is a nation, it shows it in a better light, more beautiful, more united, stronger and freer, by making her take in modern civilization a part worthy of the highest aspirations. By concessions to the west and the maritime provinces, it has strengthened the ties of confederation; by its attitude at the imperial conference, it has increased our constitutional liberties; by the appointment of ambassadors at Washington, Paris, Tokyo, and by the election of Canada to the council of the League of Nations, it has established that equality of status with England herself was not vain words, but that we were at last the absolute masters of our destinies. Then, the celebration of the sixtieth anniversary of confederation, stately and glorified by the presence of princes and illustrious guests, flattered the fancy of the people, and added to other events, convinced us that men truly patriotic were guiding the country's destinies.

In spite of what has been said in the house by members of the Conservative party, beginnig with their leader, the people have acknowledged that Canada has moved forward with gigantic strides towards her high destinies as a nation. They understand that what is left of the colonial laws is of a nature to preserve the British spirit in our legislation, but in no way can it possibly influence them in their actions to promote or protect their own interests. Their beautiful Canada, for which they make so many sacrifices and express so many ardent wishes of felicity and grandeur, their beautiful country with its healthy climate and commensurable natural resources, sung by the poets and splendidly described in the speeches of the hon. leader of the opposition previous to this session; their beautiful country, I say, does no more appear to them as a subordinate part of another country. It is a free country which courageously takes its place at the great council of nations, and as step by step it moves forward, it is actuated by a sense of pride, courage, and manhood. They are proud of belonging to that nation which makes itself respected and known everywhere, and which, for the last five years has

gained more prestige than any other nation of the world. They feel in their veins flowing the proud blood of a free, prosperous and happy nation.

I know that it is impossible to appreciate exactly at its just value, what is worth to the country the true Canadian spirit which animates the government. However, statistics tell us that crops have been more abundant and our production has increased, as well as our trade with other nations. Everything points out that the Canadian has toiled more and better.

Hence, the prosperity we enjoy; however, one must be most unfair not to acknowledge the government's co-operation, and the hon. member for Fort William (Mr. Manion), in vain may hold contrary views, he will not succeed in rousing the people, by persisting in closing his eyes to light. No doubt, Providence was kind to us and we are glad to acknowledge it, for it is a further guarantee that the destinies of the nation are in good hands. It is a comfort to us to know that our opponents deny us their co-operation and advice. At least Providence seconds our efforts, and as long as it is with us, we can well dispense with their co-operation. But if Providence is with us, who can be with our opponents? Whence comes this unfair and pessimistic criticism? Does the soul of their late leader whine in their sonorous trumpets? Or is it perchance Pluto himself? Why this sad note trumpetted both in this country and abroad, representing Canada like a vast cemetery, where are buried deep the nation's hopes? Why sow despondency and fear? Do they realize the harm done to their country? If mistakes have been made in the administration, why magnify them and then show them up as serious and difficult problems to solve? Are they not aware that all is not perfect in this world but subject to improvement. No government would care to boast of enacting perfect legislation, but it gives proof of a rare gift when it states and invites, like the Prime Minister did in his speech on the address, any suggestion which, by amendments, would improve this legislation.

One can criticize without debasing the character of our public men, without decreasing their prestige and that of the country without preaching (défaitisme) "defeatism".

If some of our laws are defective, let us revise them and let us comfort the people by showing them the benefits of the amended legislation. It is this enlightened, broad and constructive criticism which has placed the Prime Minister in the position he so well fills to-day. As long as our opponents will not endeavour to emulate his example, the people will keep them away from power, as factors of misery and despondency.

The government has always aimed at stimulating enthusiasm and to-day it reaps the benefits: a production per capita which surpasses that of all other countries, the largest trade per capita in the whole world and sufficient revenues to meet all the needs of the administration, and to make allowance for reduction in taxation and decrease in the national debt.

Does this mean that the government has complied with all demands? We cannot satisfy everybody at the same time and our opponents should not forget that it is easier to destroy than to construct. In fact, it is moving slowly but surely and if one considers the difficulties it had to meet: a country divided and discouraged by the phantom of ruin, an unceasing obstruction by the senate and the opposition, when one considers these circumstances, one must admit that a gigantic task has been accomplished. It has restored confidence to all citizens, whether English, Scotch, Irish or French, it has given them a taste of the joys which union brings. It has killed (défaitisme) "defeatism", it has made a Canada united and powerful in its freedom, happiness and prosperity.

Mr. LAPOINTE (Translation): Hear, hear!

Mr. AUGER (Translation): The effects of the budget proposals will further activate the agricultural industries of this country. Any decrease in taxation, whether it be excise, customs, income or sales tax, must benefit all classes, but especially the poor and labouring classes.

Some MEMBERS (Translation): Hear, hear!

Mr. AUGER (Translation): Mr. Speaker I wish to join with those who have requested the government to take a greater interest in the humbler classes of this country, in the farmer and workmen. The Canadian farmer and workman are at the base of our prosperity and they deserve our utmost consideration, because the most appreciable wealth of a nation, is that class which depends for a living on manual labour and which is not humiliated by work and does not disdain it.

I agree with the members of the opposition in saying that their lot can be improved, but on the other hand I wish to be fair towards the present administration. A wise revision of the tariff, both of Customs and Excise, had the effect of increasing produc-

tion, lowering the cost of living and giving more work to our people, while advantageous trade treaties opened up the world's profitable markets to our farm and manufactured products.

The result was a gradual increase in our products and trade, and better living conditions for the farmer and workman. It is therefore not astonishing that we have not the number of unemployed as other countries have, even that of the United States which our Conservative friends delight in praising to us. There is yet much to be accomplished but those who allowed profiteers to hoard the people's money and prevented a general and equitable distribution of prosperity, should not hamper our constructive work.

They are sufficiently guilty, by their exaggerated participation in the war, and wasteful administration, without disparaging the notable improvement in the lot of our labouring classes. Canada is recovering rapidly.

If we read the statements of the various financial and commercial institutions, the time seems far off when cries of distress rose from everyone's lips.

An optimistic note is heard over the entire country the echo of which reaches the humblest abode. Conditions are easier for the workman to earn a living because there is more work and more money, and the farmer by improving his agricultural methods and taking a greater interest in the dairy industry earns more substantial profits. Our opponents admit it, but they discovered statistics showing that there is a migrating flow of our people towards the United States, and the responsibility is placed at our door. They should be the last to mention it because it is under their rule from 1881 to 1891, that Canada lost the greatest number of her sons by the exodus to the United States, and the losses we are sustaining now are but the sad sequel of their poor administration. If they cannot keep their tongue quiet, they should at least be fair and acknowledge this fact.

They should also mention that there exists a natural migration that no one will ever stem. There is a continuous to and fro movement between the two countries; on both sides we meet with visitors, and if there are people who leave us to establish themselves in the United States, there are also some who return to us disenchanted, deceived as they were by the speeches of our opponents, who described to them a country better than theirs. As for us, we conform our policy to our desire of keeping our people, and welcoming back those we have lost. Statistics tell us that we have succeeded, in

a large measure. How sarcastic, sir, are the speeches of the leader of the opposition and his followers when they talk of the great problem of increasing our population, and offer protection as a sure cure to all evils! Lighten the burden by putting it on the shoulders of a greater number of people is, indeed, a bright idea which could only see light in a highly imaginative mind. But to state in their speeches that Canada cannot support her present population which is forced to leave for the United States, and in the same breath ask to increase it, without knowing how to keep it in the country, for me, it savours highly of ridicule. If they are sincere and truly believe that our rural or labouring population cannot further exist in our country, why do they advocate that we should spend millions of dollars to bring in other people? They tell us as their leader did, in his speech at the Chateau Laurier, on January 24 last, that immigration comes in the front door and our own people leave by the back door! Did they, however, have the common sense of closing this back door by which escapes the manhood of Canada.

If such are the conditions, and if the tears they shed over those departing are genuine, why not be logical and not state that the money spent to increase our population should be spent in Canada, so as to improve the condition of the Canadian and keep him at home.

It is futile to seek elsewhere for a more vigorous race than ours, and if conditions in Canada are such that the sons of its pioneers can no further exist, it is more than time to cry out: Halt! cease spending the money of Canadians outside of Canada to entice an immigration which will not remain here. Why do they not advocate using all the money spent on immigration to improve the lot of the Canadian?

I read with much pleasure the speech of the hon. member for Vancouver North (Mr. McRae); I would have enjoyed hearing his words on the lips of his leader and friends.

That would be a loyal and patriotic opposition which would stand up and demand that we spend all our money in Canada, for the Canadians, as long as effective means are not found to stem the exodus of our people to the United States. Why not be frank, about it if they are sincere. Why do they have more regard for the manufacturer and British immigrant? Without attacking immigration,—wherever it may come from—and the manufacturers who, after all, help in the development of this country, I think it is ridiculous to increase or keep up a tariff which might

jeopardize our trade with other nations. We need the nations of the world to market our products, but we must so arrange things as not to harm our basic industries, among which agriculture is the first.

Mr. Speaker, I shall warn the government to be on its guard against all ideas which emanate from the other side of the house, but especially these big immigration schemes of the leader of the opposition and his followers. His speeches, of which three quarters are on immigration and emigration, have alarmed public opinion and it would be dangerous to support their suggestions. Canadians are not opposed to immigration; however, they wish first to retain their people, and to be frank, they do not take kindly to the policy of the leader of the Conservative party who advocates the spending of their money, not to improve their condition, but to bring to our shores immigrants who will replace them on the land, at the mills, in commercial enterprises and even in the civil service.

Although their financial standing has improved, they have pressing needs which must be met. Here, they request railway branch lines to link settlements, industrial and mining development areas to the large centres; there, lower freight rates; in other parts, necessary public buildings. It is only fair that these requests should take precedence over those of the leader of the opposition and his immigrants. For instance, I know that we can improve the lot of the Ontario farmer, because the provincial government obliges him to pay the larger share of the cost of construction and upkeep of highways, and I would suggest to the members of my province, who are on the opposition side and have shed tears over the budget proposals, that they dry their tears and join in the efforts of the rural delegation which, three weeks ago, urged their friend the prime minister of our province, to make a more equitable distribution of taxes and thus relieve the farmers.

As to the federal sphere, I have no doubt that our government will continue to relieve the farmer of the burden of taxation which weighs heavily on him. The tariff readjustment is proceeding slowly if you wish, but with caution and safety, with all due deference to extremists, who in one corner of the house state that it is proceeding too quickly and goes too far, while in the other corner we hear that it is too long delayed.

In the near future when signing trade treaties, our government will think, as in the past, of the farmer, and it will provide new markets for his products. Moreover, it will help the farmer in settling his sons on fallow lands, by offering them the same advantages which the British settlers have under the Empire Settlement Scheme.

Mr. Speaker, the farming population, which I have the honour to represent, expect much of the truly patriotic men who are at the helm of Dominion affairs, and especially, they hope to see the reform of that policy, which gives to English people greater advantages than our people have in the settlement of fallow lands. They are aware that the government has already amended the immigration act by restricting it to immigrants sound of body and mind.

They now request it to go one step further, and give the preference to Canadian settlers rather than to those from Great Britain.

Should this preference be impossible to grant, at least let us be given equal treatment. Those who have already made sacrifices for Canada have special rights that no one can ignore without danger for the future. There are susceptibilities which should not be provoked, and knowing that they are the masters of this vast country for which they have toiled and shed their blood, Canadians do not willingly submit to the regulation which gives to immigrants preference over them. Moreover, what immigrant with common sense will come to live and settle his children in a country where the latter will be discriminated against. If we wish to increase our population, we must grant the privileges of settlement to Canadians only, so that there may be advantages for the present and future citizens to remain in this country.

A policy of intensive settlement favouring Canadian citizens is, in my opinion, the practical way of stemming the desertion of the soil and the exodus to the United States, of entirely wiping out unemployment and, lastly, attracting that wave of European immigration in which the leader of the opposition places his hopes for the future of the country.

Canadian soil belongs to Canadians. Let us therefore set it aside for the Canadian farmer or labourer who wants to cultivate it. Let us place at his disposal and that of his heirs the vast natural resources that his ancestors jealously guarded for him. Then let us give him transportation facilities and advantageous markets. The spending of $20,000,000 to help the settler and the Canadian farmer would draw more immigrants than $40,000,000 spent in coaxing them.

After all human energy is Canada's greatest wealth, and the humblest Canadian is a far more precious jewel than all our combined natural resources which will place our coun-

try in the future, in the foremost rank of nations. Let our government pursue its policy of national progress. There is but one solid basis upon which we can build up the great Canada of to-morrow; it is upon that of a prosperous farming population, happy and jealous of its professional occupation and its country.

When Canadians are perfectly satisfied, and write to their friends overseas that they enjoy here perfect happiness, when the sons of farmers look upon their fathers professional occupation as the most beautiful and consoling one, when the workmen in cities look forth to the land to insure the existence of their family, then, we can open wide our doors to the immigrants who are physically fit and mentally well balanced. We can then open them very wide because great numbers will come. Let them come, in preference, from the British Isles, if they adapt themselves better to our conditions of life, but wherever they come from or whoever they be, they must conform to the Prime Minister's ruling, that is be strictly sound of body and soul.

I wish to congratulate the hon. Minister of Immigration (Mr. Forke) and his officials connected with the rigid application of this regulation, because those who have in view the Canada of to-morrow and the important part it will be called upon to play in the future civilization, are of the opinion that we should take no risk. Our burden is sufficiently heavy without having to carry that of others, and in order that the immigrant be an asset to Canada, he must be strictly sound of body and soul.

"The twentieth century will be Canada's century," according to a very clear-sighted prophecy, but it must especially be that of Canadians. Because the statesmen at the helm of the present administration show a truly enlightened patriotism, I shall support the well balanced budget of the hon. Minister of Finance, and I do it with the assurance that I am thus serving the interests of my riding and country.

Contrary to what we are to infer from the statement of the hon. member for Southeast Gray (Miss Macphail), there is no discipline in the Liberal party which forces its followers to vote for what they believe to be against the best interests of the country.

The party, for us, is the channel conveying our convictions, and we sacrifice ourselves only to better carry out the great principles that we cherish in common. The hon. member for Southeast Grey, has leagued herself with a group of members to propound certain ideas;

[Mr. Auger.]

she is wrong in reproaching us for doing likewise and insinuating that we have lost the freedom of thought and action, because we are affiliated to the Liberal party. The Liberal party's history goes back, so to speak, to the first days of the English rule, and it has traditions which link it very closely to the people of Canada. The Liberal party loves Canada, it loves the poor classes of our country, because it identified itself, at critical moments of our history, with their sorrows and difficulties. That party has no past to disown and it views the future serenely, because the leaders of to-day are worthy of their forebears. It is false to contend that we are traitors to the great principles of freedom and justice which always were at the basis of our political program.

However, we are enemies of disorder, and if we are slow in putting into practice the reforms which we advocated when in the opposition, it is because we do not wish to cause great confusion, we want order in our progress.

I shall recall to the house that in 1911, we made an appeal to the people on a question of trade reciprocity with the United States and we fell from power owing to not receiving the necessary co-operation from those who shared our ideas. I want to caution those Progressives from the west who are thinking of joining the Conservative party, that they will gain nothing by it, unless it be to prejudice the more the cause they have taken up.

Some MEMBERS: (Translation): Hear, hear!

Mr. AUGER (Translation): Co-operation is necessary to-day as yesterday, and to place in power a government of high protection might bring tardy but useless regrets to the sincere friends of a low tariff. We are moving slowly but nevertheless we are moving forward in the path traced by our illustrious predecessors, guided by the same standard and faithful to the principles for which we have fought and fallen, but to which we have never been traitors. If the progress on this path is difficult, slow and perilous, we are not downhearted, remembering the saying "Every thing comes to him who waits."

The Liberal party has undertaken to balance the finances of the country and to restore order, union, peace, harmony and prosperity. Its task is not completed, but what it has already accomplished reassures us for the future. Let those who love their country support us in the work of national restoration.

Whatever may be the profession, whether that of doctor, lawyer, financier, manufacturer, farmer or labourer, our ranks are wide enough to include all ideas and all occupations.

The standard of the Liberal party, is not the standard of a class, a race, a language or a religion, it is the standard of the whole Canadian people, united in a spirit of co-operation, justice, mutual respect, peace and harmony.

Mr. F. P. QUINN (Halifax): Mr. Speaker, it was not my intention to take part in this debate, but I observed this afternoon while listening to the wonderful address of the Minister of Agriculture (Mr. Motherwell) that he appeared to amuse the Minister of Immigration and Colonization greatly. For the first time this session I saw the Minister of Immigration and Colonization smile. Now the Minister of Agriculture did not add anything of importance to the debate. During his remarks he scouted all round. He seemed to take particular interest in the Winnipeg convention and the platform adopted there. He also seemed very much interested in the selection of a leader of the Liberal-Conservative party, and tendered his congratulations to the hon. gentleman who was selected to undertake the duties and responsibilities of that high office. He strove to assist the Minister of Immigration and Colonization by touching on a case which has been dealt with at different times during the present debate and the one which preceded it, but he did not go very much into details. May I say that I was rather surprised and disappointed at the class of cases in which he included the McConachie child? I will not cite the different classes, because hon. members remember them well. The McConachie case has, up to the present time, elicited many expressions of sympathy and surprise. I am in receipt of letters every day from different people, and from various societies and organizations, expressing sympathy with the family affected.

An hon. MEMBER: Why?

Mr. QUINN: An hon. gentleman asks why. Because of the attitude adopted by this government in dealing with the McConachie family. This government has acclaimed Canada as a land of tremendous possibilities and wonderful opportunities for the immigrant. These glowing expressions undoubtedly reached the ears of our friend McConachie; accordingly he obtained a passage and came to this country where he provided a home for himself and family. Had he followed the example of others who brought their household goods and families with them, McConachie would have been an established citizen of Canada to-day and would have had his family with him. It was only due to circumstance that the infant which figures in this case was born in Scotland instead of in Canada. All hon. members know—the hon. Minister of Immigration and Colonization and the Minister of Health (Mr. King, Kootenay) know it well—that McConachie was here eighteen months, and his child was fourteen months old when it arrived in this country. I ask the Minister of Immigration and Colonization—and he can answer the question when he pleases; he can answer it now if he prefers, although it will encroach upon the forty minutes allotted to me—what necessity there was for the unholy haste in deporting the McConachie infant? Does he reply? No. I say "unholy," and I mean it; when I use that word I know what I am saying. I have been told on good authority that the Minister of National Defence (Mr. Ralston) obtained permission to detain the child in Halifax for another week in order to enable it to undergo a further medical examination. I know that McConachie wired from Halifax on Saturday asking to have the child examined by a specialist, and I know the Catholic immigration chaplain at Halifax telephoned to the Cunard Steamship Company, whose vessel brought the family to this country, and they agreed to keep the family at their expense for another week. That information was forwarded to the immigration agent, Mr. Barnstead, and also to his assistant, Mr. Hetherington, but before the chaplain reached the pier the mother and child had been placed on board the steamer. Now where is the human touch, where is the sympathy, where is the judgment of my hon. friend the Minister of Immigration and Deportation? Now we have this family separated, the mother and infant having no home in Scotland to go back to as everything has been sold out. I have under my hand a letter from the secretary of the Overseas Settlement for British Women, Canton House, Westminster, London. She states:

> I met Mrs. McConachie on her return to this country and arranged for her to stay at a hotel in London for the night.

She had no home in Lanarkshire to go to and so she had to stay in this hotel in London for the night.

> She was at this office all the next day and we sent her to her relatives at Belfast the next night.

That is where Mrs. McConachie is to-day. This poor woman, distracted and heartbroken, is now trying to arrange to place the infant

child in a children's home in Belfast so that she can come out to Canada and join her husband and four children. I ask of the Minister of Immigration: It is too late yet to deal with this McConachie case and admit the woman and her child? In view of public opinion, in view of the way in which this case has been commented upon, I feel he will have the unanimous endorsation of the people of Canada if he sends for that woman and her infant to come here. As I said once before in this house, it seems inhuman and ungrateful treatment to accord to a British soldier who was willing to sacrifice his all in the struggle for freedom and democracy.

I have among others a letter from a Presbyterian minister who was for eighteen years doing welfare work, particularly settlement work, and he expresses the desire that the McConachie family be reunited. Might I draw to the attention of the minister a letter from the Canadian prisoners welfare association of Montraal. That association is willing now to place a bond in the hands of the minister guaranteeing that this child will never become a charge upon the government or the people of Canada. Now will the minister bring back the child? This matter has been dealt with thoroughly. The Minister of Health (Mr. King) contributed his quota to the debate and he was answered very effectively by the hon. member for North Simcoe (Mr. Boys) who dealt with the matter from the legal standpoint. I ask the Minister of Immigration once more—and that is all I intend to say on this matter—in view of the fact that 140 similar cases have been allowed to enter this country on permit, will he not grant the same conditions to the McConachie child?

The cordage industry of Dartmouth has already been touched on by the hon. member for Westmorland (Mr. Price), but I should like to say a few words in connection with it because it is in my constituency. This company have been struggling along for some years, but in the last few years, because of lack of tariff protection they have found it practically impossible to survive. This whole matter has been fully explained to the Minister of Finance (Mr. Robb) and the tariff board have all the data in connection with the industry. At the present time manilla rope up to one and one-half inch in circumference is admitted free when for use in the fisheries, under customs tariff item 682, and rope over this size, regardless of whether it is for the fisheries or not, is dutiable at 20 per cent British preference, 22½ per cent intermediate tariff, and 25 per cent general tariff under item 548. The budget proposals, however for some reason carry a new item, 539:

Cordage, exceeding one inch in circumference, wholly of vegetable fibres, n.o.p.

This is dutiable at the rate of 20 per cent British preference, 22½ per cent intermediate, and 25 per cent general tariff. At first glance it would appear that the minister intended to give this poor down trodden industry half a loaf at least, by reducing the free size to one inch, but on examining the customs tariff I discover a joker. On page 514 of Hansard of February 16, the Minister of Finance gave a list of tariff items that were cancelled by the revision of the tariff, and I find that item 682 is not listed among those cancelled, so in reality the free rope continues and the new item 539 is only for us to look at through rose-coloured glasses, something not unusual under the present budget. Why this was done we, of course, can hardly expect a reason, but if it was not the intention of the government to do anything for this industry, why do they not come out and say they have no intention of helping one of the oldest Canadian industries, one of the last industries in the maritime provinces, instead of letting them slowly but surely bleed to death? This industry in Dartmouth alone has about five hundred people depending upon it, and if the industry is allowed to go to ruin, what are the heads of these families to do? Most of them have spent their whole life in it and they cannot now go out and seek employment elsewhere in Canada. The younger employees can, of course, follow the crowd and go across the line to the United States. The cordage industry is contributing more than its share and this government will do a great justice to the maritime provinces by keeping the industry going. With the amount of fishing that is carried on it is essential that an industry of this kind should be kept in operation, if only for emergency purposes. Where would this country be in case of war if industries such as this are allowed to go to the wall, as they certainly will do with these continual tariff changes that are not even made from a practical standpoint?

While the hon. member for Westmorland (Mr. Price) was speaking, the Minister of National Defence (Mr. Ralston) interjected a question and the hon. member, could not hear him. The minister asked the hon. member for Westmorland if he was agreeable to imposing a duty on fishermen's rope. The minister well knows that the maritime members were in caucus when delegations from Halifax and Dartmouth boards of trade were here and the

whole matter was discussed, and some questions to which the hon. member referred were brought to our attention. But while the matter was under discussion, while it was being debated, while we were trying to find ways and means of keeping that industry in the town of Dartmouth and at the same time safeguarding the interests of the fishermen of the maritime provinces, a telegram was received and read at our meeting from the vice-president of the Consumers' Cordage Company stating that they were prepared to guarantee that, in the event of a duty being imposed on rope from one and one-half inches downwards, the price to the fishermen of the maritime provinces would never be greater than the price of rope to the fishermen of the United States.

Mr. RALSTON: Was that guarantee accepted as satisfactory by the gentlemen who were present at that caucus?

Mr. QUINN: It was a guarantee from the vice-president of the Consumers' Cordage Company, and I consider it binding.

Mr. RALSTON: Was it considered a sufficient guarantee by the fishermen?

Mr. QUINN: My hon. friend is a good lawyer. I am not; and he need not think he is going to inveigle me into any legal question.

Mr. RALSTON: I thought perhaps the fishermen might be interested; that is all.

Mr. QUINN: The fishermen are interested. My hon. friend comes from a fishing constituency, Shelburne-Yarmouth and he well knows that the fishermen of Nova Scotia will buy American rope in preference to Canadian, and the same thing applies to other articles.

Mr. RALSTON: But I do not know that the fishermen of Nova Scotia will accept the guarantee of the vice-president of a company expressed in a telegram to some private individual.

Mr. QUINN: It was not expressed to a private individual. That telegram was sent—

Mr. RALSTON: To whom?

Mr. QUINN: To be handed over to the maritime committee.

Mr. RALSTON: To whom was it sent?

Mr. QUINN: It was sent to a representative here of the Consumers' Cordage Company for the purpose of being read at this meeting. I have the telegram in my possession if the minister wants to see it.

Mr. RALSTON: Oh, I have seen it. I thought it was poor protection for the fishermen, that is all.

Mr. QUINN: Why does not the minister come out and state exactly where he stands in this matter?

Mr. RALSTON: I am waiting to hear my hon. friend; he has the floor. I have stated that I am not for imposing a duty on fishermen's rope, if my hon. friend wants to know.

Mr. QUINN: Even at the sacrifice of 500 people in Dartmouth?

Mr. RALSTON: I was not speaking of any sacrifice.

Mr. QUINN: That is what I am asking about.

Mr. RALSTON: That industry is going on in Dartmouth, and the head of the industry has declared they are going to stay in Dartmouth.

Mr. QUINN: No thanks due to this government.

Mr. RALSTON: We are not asking for thanks.

Mr. QUINN: I will tell you why they decided to stay in Dartmouth.

Mr. STEWART (Edmonton): We have heard these bluffs before.

Mr. QUINN: It is no bluff. I will tell this house why the Consumers' Cordage Company has decided to stay in Dartmouth. It is because the town of Dartmouth has relieved them of all taxation. There is a sacrifice on the part of the town of Dartmouth.

Mr. RALSTON: For a limited period.

Mr. QUINN: Yes, and at the end of that period they can take the matter up again.

Mr. RALSTON: But perhaps, they might come and threaten to close down again.

Mr. QUINN: Perhaps. Suppose they do make a threat. I have no interest in the Consumers' Cordage Company, absolutely none, but I have an interest in 500 people in Dartmouth. My hon. friend might play fair and let us know just where he stands as between the fishermen and the people of Dartmouth.

Mr. RALSTON: I have told my hon. friend once; I cannot make it any clearer. But I do object to my hon. friend suggesting that I am not playing fair. I do not think that is parliamentary.

Mr. QUINN: I played fair with the hon. gentleman when he was taking advantage of his forty minutes. I did not interrupt.

Mr. RALSTON: I thought my hon. friend was asking me a question.

Mr. QUINN: I was drawing attention to the question you asked of the hon. member for Westmorland (Mr. Price), and I was just answering it.

Mr. RALSTON: I am afraid the answer was not satisfactory.

Mr. QUINN: I think the house will be satisfied. There is another matter. I have here a letter from the Nova Scotia Bedding Company of Windsor Junction. I might say right here that they are no political friends of mine, but they were of the minister. They wish to draw attention to the duty on jute cloth in rough state as provided for in this budget. They say:

We use considerable of this material for wrapping round bales of mattresses when shipping them. Formerly it came in from the United States free of duty. The customs officials advise us now that there is a duty of 30 per cent on it when coming from the United States.

I draw the attention of my friends in the far corner of the house to that. They go on to say:

We think this is going too fast. There is none of this material made in Canada.

I would ask the Minister of Finance, what was the reason for the imposition of this duty? Can he explain satisfactorily to this house why a duty of 30 per cent is imposed on this article that is used by manufacturers and others in this country, when there is no industry in Canada making it? Can the Finance minister or any hon. gentleman opposite give the house a satisfactory answer? No? I ask my hon. friend the Minister of National Defence to use his influence to have this item changed. Stephen Brothers, of Windsor Junction, are friends of his.

The Minister of Agriculture this afternoon spoke of everything almost except the things which directly concern him. He spoke of the Winnipeg convention and the new Conservative leader, he elaborated on immigration, spoke of oleomargarine and I do not know what else. Why did he not devote his time—and he could very well have used the whole forty minutes that way—to matters concerning his own department?

Mr. MOTHERWELL: Nova Scotia?

Mr. QUINN: No, agriculture.

Mr. MOTHERWELL: Agriculture was not attacked very much.

[Mr. Ralston.]

Mr. QUINN: It was not? I have heard it attacked several times in the course of this debate.

Mr. MOTHERWELL: Where from?

Mr. QUINN: The hon. member for Colchester (Mr. MacNutt) for one.

Mr. MOTHERWELL: You have to consider where it comes from a little bit.

Mr. QUINN: I have in my hand a memorandum from the National Dairy Council of Canada presented to the Dominion government. My hon. friend should be interested in that.

Mr. MOTHERWELL: That is a good place for it to come from.

Mr. QUINN: This memorandum is addressed to the president and members of the privy council, and reads:

The National Dairy Council of Canada desires respectfully to present some further observations and requests on the Australian trade agreement. That on the 29th day of November, 1927 the national dairy council made certain representations to your honourable body on the said Australian trade agreement and order in council re New Zealand, which allows butter from these countries to enter Canada at one cent per pound duty and showed that in consequence of the Australian trade agreement the dairy industry of Canada suffers.

At the same time, the national dairy council in its memorandum respectfully requested as follows:

1. That the order in council applying schedule 2 of the Australian trade agreement to New Zealand be rescinded at once;

2. That the dumping clause be immediately applied on all butter sent from Australia to Canada on consignment as well as on direct sale;

3. That the Australian trade agreement be terminated as provided in the Australian trade agreement Act 1925.

That, so far, the government has taken no action on the foregoing request.

Therefore we again respectfully present the following observations:

1. That the national dairy council is representative of all the dairy interests in Canada, of which the milk and cream producers are by far the greater number.

2. That these producers are insistent in their demands, that the government grant the foregoing request of the national dairy council as voiced in the following resolutions, passed in almost every case by the producers sections, and later endorsed by the creamery men and others at dairy conventions recently held throughout Canada.

Then follow the resolutions. I shall read only one, from the dairymen's association of Nova Scotia:

Be it resolved that the Nova Scotia dairymen's association in annual session assembled in Truro, January 17-18, 1928, reaffirm the

action of this association in passing a resolution at the annual convention, January 19-20, 1927, asking the government to cancel the clause of the Australian treaty which allows butter to enter Canada at the rate of 1 cent per pound duty, and cheese free, and restore to the dairy farmer that which was taken from him by the signing of this treaty and the order in council allowing New Zealand butter and cheese to enter Canada at the same rate of duty as Australian.

Further resolved that we request that the dumping clause be at once applied to all butter coming into Canada from New Zealand and Australia whether on direct sale or on consignment.

The memorandum includes resolutions from the Nova Scotia farmers' association, the New Brunswick farmers' and dairymen's association, the Manitoba dairy association, the Alberta dairy association, the Saskatchewan dairy association, British Columbia dairymen's association, Comox creamery association, Western Canada live stock union, Canadian produce association, and the Ontario milk producers' association. They are all in the same strain. Why does the Minister of Agriculture pay no heed to the demands of this very important industry, as presented from every province?

Mr. MOTHERWELL: I did.

Mr. QUINN: Where is the relief? What have you done?

Mr. MOTHERWELL: My hon. friend could not have been in the house this afternoon.

Mr. QUINN: Yes, I was here this afternoon, but I gleaned very little from the minister's address. I quote from the last paragraph of the memorandum:

From latest information available for the calendar year 1927, a reduced make of butter in Canada is reported from four provinces and in a large measure is due to the large quantities of butter that have come into Canada from Australia and New Zealand. This is particularly true in the prairie provinces and Ontario as follows:

	1927 Pounds	Decrease
Manitoba..	14,231,026	1,218,330
Saskatchewan.. .	11,955,533	4,637,234
Alberta..	19,912,533	3,487,466
Ontario..	59,800,000	2,500,000
Total decrease..		11,843,030

Butter imported into Canada from February 1, 1927, to January 31, 1928:

Further according to figures tabled in the House of Commons on February 13, by Hon. Mr. Euler (see Hansard page 404), for the twelve months ending January 31 last, 3,620,698 pounds of butter from Australia and 15,142,616 pounds from New Zealand, a total of 18,763,314 pounds entered Canada for home consumption. British Columbia was the heaviest consumer.

This 15,000,000 pounds of butter produced in Canada, at 200 pounds butter per cow per year would take 75,000 cows, at ten cows per farm would take 7,500 farms, giving employment to as many farmers and their families.

Now, Mr. Speaker, I ask why should the government spend hundreds of thousands of dollars advertising to the world what a wonderful agricultural country we have in the face of an opportunity such as this? Right now they might establish 7,500 farms, giving employment to 7,500 farmers and their families, by taking the necessary measures to safeguard our dairy industry . But the same old policy is continued, the same old practice goes on of bringing immigrants in at the front door and letting them out at the back.

The hon. member for Hants-Kings (Mr. Ilsley) in his contribution to this debate rather lectured us on this side of the house when he dealt with the present administration in Nova Scotia, and he referred to the slogan of the Conservative party in 1925, "bring the boys back." It is true that up to the present not many boys have come back; but let me tell my hon. friend that a sincere effort is being made to bring them back and so to improve conditions in the province that no others will migrate to the United States; which is more than he can claim for the predecessors of the Rhodes government. We have in Nova Scotia to-day a well-administered Department of Natural Resources, and everything possible is being done to keep the farmer and his family on the land. Only last week Premier Rhodes announced in the local legislature that arrangements had been made to establish a large pulp and paper mill in Nova Scotia. I know my hon. friend would like to say that a promise of this kind was made in 1925. Yes, it was made by a gentleman who was returned as a supporter of the Rhodes government. He gave a pledge to his constituents that if the promise was not fulfilled he would resign his seat within twelve months. He kept his word. It would be better for the public life of this country if members of parliament and others were more particular in redeeming their promises We have the assurance of Premier Rhodes that the mill will be established, that plans are completed and work will immediately go ahead, which will provide employment for a thousand men in the province. Contrast that with anything done by the predecessors of the present provincial administration. The pulp mill will manufacture from 250 to 400 tons of pulp and paper a day. This means the the development of a big industry in the province.

May I enlist the support of my hon. friend and other hon. members from Nova Scotia who sit opposite in trying to

retain our present industries? I have already referred to the industry at Dartmouth. My hon. friend has expressed his views as a supporter of the government, but again I ask him to use his influence in conjunction with the hon. Minister of National Defence and the hon. member for Antigonish-Guysborough (Mr. Duff) to do everything possible to protect this industry as well as other industries in Nova Scotia. Let him and his colleagues adopt the British motto; What we have we hold. I am not playing politics. I make this request because I owe it as a duty to my people in Nova Scotia, and particularly I owe it as a duty to the five hundred Canadians, most of them born and bred in the province, who if this industry is closed down will have to cross the border and join many of their brothers and sisters who have already been forced to seek their livelihood in the United States. Once more I ask my hon. friends from Nova Scotia who sit opposite to bend all their energies to prevent that and other industries in our native province from closing down, and so safeguard the interests of our people.

Mr. J. J. E. GUERIN (St. Ann): Mr. Speaker, it was not my intention to address the house to-night, but the eloquence of my fellow-countryman who has just sat down (Mr. Quinn) in connection with the case which has attained such prominence in this debate has left me no alternative. I share his sympathy for the family, but I do not think he rightly appreciates what was wrong with the McConachie child. From what I can gather, this child is a cretin; that is, an infant born without a thyroid gland. This gland governs the development, mental as well as physical, of the child. Consequently, the child was born an idiot, and nothing could possibly change its condition; it was born an idiot and is bound to continue so. It is not difficult to diagnose the malady, for it has peculiar characteristics. To begin with, the skull is enlarged with a receding forehead, the mouth droops, the tongue protrudes, the eyes glare into vacancy, spittle is constantly running down the cheeks, and wherever the child is placed it is absolutely unconscious of its surroundings. So far as intelligence is concerned, the child is practically born dead. I profoundly sympathize with the parents, but at the same time, dura lex sed lex. You cannot change the law, and if no latitude is permitted, I do not think it was ever intended to admit idiots. Consequently there is nothing to be done.

Mr. QUINN: I understand my hon. friend is a medical man. May I say that I saw the child personally and was informed that the symptoms that have been described were not apparent.

Mr. GUERIN: It is a question of appreciation. With his training and experience in other matters the hon. gentleman may be an excellent judge of some things, but I submit that a physician who practises medicine and who is prepared to stake his reputation as an officer of the government that such a disease exists in a particular instance must be believed We must take his word.

Mr. QUINN: Why did not the two medical men on the other side, the doctor on the roster and the doctor in Glasgow, observe these things?

Mr. GUERIN: It shows the wisdom of the government's new policy in sending Canadian physicians to the other side to vouch for these facts. There has been considerable argument on the part of hon. gentlemen opposite against the extravagance of the government in sending Canadian physicians to determine the health of proposed immigrants, but I think this is a case that proves the wisdom of the government, for it shows that there will be no possibility of contradiction in the future. Once immigrants are passed by one of our own physicians they will naturally be accepted by this country. If the expectation of life in the case of a child were brief it might be all right to admit it; but the fact is that children of this description live for many years. They grow up to the age of twenty or thirty, continuing in the same state of infantile decrepitude as when they were born. They acquire the faculty of eating and drinking but they remain permanently in a condition of oblivion so far as everything around them is concerned. I do not for one moment wish to imply that I have not every possible sympathy with the parents of such a child; but there is a very serious principle involved, and if we are going to admit immigrants of that class there should be something in the law to permit it. The law is there and it cannot be altered unless someone is prepared to shoulder the responsibility. As regards the insane, I may point out that the asylums will not admit a child in this category even supposing that child is grown in years. An insane person, to be admitted into an asylum, must be dangerous to himself or to his neighbours or must be a cause of public scandal. An infant proper, or a grown-up infant, if we may use that expression, does not come within this category, and such a child becomes a load on its parents; it must be looked after, nursed and coddled during the

full term of its existence. And strange to say, children of this class receive more love and affection and more attention from everyone in the family than any of their brothers or sisters who are in full possession of their senses. To have a child of this sort in the house is therefore a misfortune beyond description.

I do not intend to suggest how the question should be solved but I do not see how the Minister of Immigration, under the circumstances, could possibly think of admitting a person in that state. As I say, the child is unconscious of its surroundings, and it would not do it any harm, if the father were in a position to pay for its upkeep, to leave it in Scotland whence it came. The question has been treated from a sentimental standpoint ever since it came up; it has not been considered on its merits. I always thought the Irish were very fond of grievances, but last night's Star makes this out to be a grievance of Scotland. The Minister of Immigration ought to have sympathy with the people coming from that particular part of the empire and I do not fancy that the fact that this child was of Scotch origin militated against it. On the contrary, probably the majority of the members of our cabinet would look with favour on anything that might be done in its behalf if the question were considered from a national point of view. This, however, is a case where the law must be observed and I fail to see how the minister could have acted otherwise than he did.

It seems to me that the determination to call attention to this matter openly, and to discuss in this manner things appertaining to immigration and emigration, is not doing any great good for Canada. I do not think that this is a question that should be debated publicly and discussed as it has been. It is undoubtedly a misfortune, and if those who feel so sympathetic towards the McConachie family would only contribute a sufficient amount to place the child beyond want and to provide it with proper surroundings in its native town, the parents would lose nothing, inasmuch as if the child were violent they would have been obliged to put it away. Seeing that it is unable to do anything for itself, it naturally should be put in some place where it can be given proper care and attention such as an unfortunate child of this kind requires.

We have been hearing a good deal about emigration to the United States. The argument on this question is most injurious to the country and those who are discussing the matter in the way we have heard it debated are doing no good to Canada. No doubt we are bothered by a certain class of immigrants who cannot be detected by medical examination; I refer to that class who come to this country for the express purpose of creating trouble. In the large centres they are to be found in considerable numbers, preaching bolshevism, socialism and all kinds of discontent with the country generally. It would be a good thing indeed if the government would do something towards sending these people back to the countries from which they came, thus relieving us of the danger of having Canadians imbued with false ideas. These people turn out in Montreal on the first of May with the red rosette, but they do not carry the British flag; they do not carry the flag of the country. They are beyond the law so far as our country is concerned. The same thing prevailed in Italy until Mussolini took charge of things, but by the judicious administration of palma-Christi, otherwise known as castor oil, they were brought to their senses. I think if our mounted police were provided with a liberal supply of castor oil and attended these meetings which take place throughout Montreal and other cities, and on their own responsibility, with the approval of the Minister of Justice, administered about half a pint of that drug, it would put these men in such a condition that they would not be able to continue their obstruction very long. Perhaps it would be better than punishing them by prison terms, because judging from what I saw on May 1 in Montreal they are becoming rather numerous, and in my opinion they are an absolute threat to the community. We must look after the interests of our own country, and if we allow this sort of thing to go on we are just sowing seeds of trouble which will manifest itself in no uncertain way. I think it would be well to take this matter into consideration as far as the teachers of bolshevism and anarchy are concerned, which would relieve us of the threat which is constantly directed against this country.

I had no intention of saying anything tonight, but the eloquence which was displayed and the sympathy which was excited by the hon. gentleman who preceded me made me feel that I should say just one word with reference to this McConachie case. It is not that I have anything but the deepest sympathy for the family, but it is a very easy matter for them to separate themselves from that poor unfortunate child. The baby would never be any the wiser, and the family would be much better off.

Mr. G. H. PETTIT (Welland): Mr. Speaker, in rising to make a few remarks in this budget debate I realize that the ground has been covered very fully and very ably

by those who have already spoken, more particularly by hon. members on this side of the house. I am prompted, sir, to make these remarks because of the fact that so many constituencies have been heard from through their representatives, and I felt that the county of Welland, which I have the honour to represent, should not remain silent.

For your information, sir, I should like to tell you some things about the splendid and important county of Welland which you may not already know. It is a border county in the Niagara district; within its confines are two cities, Niagara Falls and Welland. There are also four towns, two villages, two very splendid fruit farming districts, namely, the townships of Pelham and Stamford, and six general agricultural townships. It is the cradle of hydro-electric power and a great industrial centre. For the information of the government I may say that in those two fruit farming townships those who engage in the growing of early fruits and vegetables are one in the desire for a duty—and a good high duty—on early fruits and vegetables imported from the United States. There are a number of producers of these things in these townships and the industry is developing.

There are quite a number of nurseries in Pelham township well and widely known—foremost among them the Fonthill Nurseries, Ltd., and Brown Bros. Co., Nurserymen, Ltd. The horticulturists of Canada are entitled to and should be given proper protection against foreign importations of nursery stock, shrubs, bulbs, etc. I respectfully but strongly urge this protection.

I may also say for the information of the house and the public at large—and I think hon. members of the house will be delighted to hear this—that the large foreign population in the county of Welland, those naturalized and those not, are loyal citizens, loyal to our institutions and British connections, and law abiding citizens generally, with the exception perhaps of a small class of Russians. There are, of course, a few bad people among them, but we have bad people in our own race. It would do your hearts good, gentlemen, to see at the different gatherings of these people how the little boys and girls sing the national anthem, and the Maple Leaf Forever, and O Canada, with all the vim and vigor they possess. The older people also take part to the extent of their ability to do so. The British flag graces their halls; they take part in all the public processions with the British flag at their head, and they also join in celebrating anniversary of the armistice. So I am glad and proud to be able to tell this house that the foreign population in my district are loyal to our British institutions and laws generally and good citizens.

Now, sir, I wish to refer hurriedly and in a general way to a few of the matters which have been already touched upon, and the first of these is the sales tax. We appreciate the action which the government took last session when this sales tax was reduced somewhat, even though the reduction was small, and the same holds good this year. I do feel, however, as other members on this side of the house feel, and I believe in this I voice the sentiments of the people of my constituency, that the sales tax should have been taken off entirely. Let me also say that I view with a great deal of satisfaction the appointment of a committee of this house, which committee is now sitting, to look into the problems of the returned soldiers with the view of bringing in legislation for their benefit. I sincerely trust that this legislation will be as broad and as favourable as possible in order that these returned men may always receive the benefit of any doubt which may exist in particular cases.

I also wish to espouse the cause of the rural mail carriers of the country at large. I do not think there is a more faithful or a harder working class of government employees than the rural and urban mail carriers. Practically all of them are married men with families and I appeal to the government to put them, the rural mail carriers on a proper basis. The work should not be let under tender. The remuneration should be at least $1,400 a year where the mileage warrants it, and even that is little enough. The remuneration ought to be on the basis of $70 per mile.

I wish to take this opportunity of stating that my constituents and myself favour the Canadian National Railways as now organized and brought into being by the Conservative party. I am glad to pay tribute to the management in bringing order out of chaos, and placing the system in the splendid position it now occupies. I have every confidence that within a very few years the system will be established on a paying basis.

I was delighted to hear the other day in the house the statement from a member of the government that a large appropriation was being granted in aid of research work. I have been very much interested in that work for a great many years. I do not claim by any means to be an authority on the subject, but I have always felt that research work should be undertaken in this country to a greater extent than has been the case in the past. I look forward to the achievement of

great results from the aid granted by parliament for this work from an agricultural and industrial point of view. There are men of ability in this country who can bring these researches to a successful conclusion, but we must take great care that in this work there is proper co-ordination of effort. I was very much surprised and interested upon reading an article the other day to find that this country suffers a loss of about $20,000,000 a year owing to grain rust. Now if that one source of loss alone can be overcome by industrial research it will be well worth the expenditure incurred. As the representative of the county of Welland I shall take great pleasure in supporting the government in making liberal grants from time to time in aid of research work.

I am rather troubled in mind about the woollen industry. I think it has been very severely hit by the action of the government in the past in granting such a large preference in favour of Great Britain. I am a strong believer in interimperial trade, and the building up of trade within the Empire, but I do not think we should do so at the expense of such an important one of our own industries, especially when allied branches of industry will be injuriously affected. If the woollen industry were in a thriving condition to-day and developing as it should, wool would be required from the farmers and this would be of help to them in raising sheep. The grazing of sheep fertilizes the land and keeps down weeds, and through the raising of sheep the farmer has mutton and lamb for the market. So that when we do anything to injure the woollen industry it reacts in various directions and hurts other industries which are dependent upon it, notably that of sheep raising.

I am a strong believer in the adoption of a national fuel policy for Canada. I should like to see the government establish what may be called an out of pocket rate, say $5 or $6 a ton, for the delivery of coal from Alberta and Nova Scotia to the central portions of this Dominion, and Ontario in particular. What is called an inclusive rate, which would be in the neighbourhood, I understand of nine or ten dollars, should be fixed for the railways, and any difference between that and the out of pocket cost should be met from the national exchequer. If we do that, I believe coal can be delivered and sold to the consumers in Ontario at a rate of from $13 to $14 per ton. This winter I have been purchasing coal in the city of Welland for $14.75 a ton, and I have not paid less than $14 a ton for some years. I would cheerfully continue to pay that amount if it would be of help in developing the coal industry in Canada. If we do not get to work now and inaugurate a national fuel policy we run great danger of suffering from a prolonged strike in the United States, or the possibility of that country enforcing an embargo on coal. Where should we be in the case of either of these eventualities, and we were not able to draw supplies from domestic sources? We ought to take time by the forelock in this matter, and provide against every possible contingency. The objection has been raised that the course which I have advocated would mean the expenditure of a great many million dollars from the national exchequer. In reply to that argument I would point out that we should be able to retain in Canada the many millions of dollars which now go out of the country for the purchase of foreign coal. In addition our railways would derive an immense revenue from the carriage of Canadian coal, our coal mines would be enormously developed, and employment would be given to a great number of workingmen. It was pointed out the other day in this house that when the Hamilton and the Sault steel industries used American coal in their operations they received a drawback of 99 per cent. I was wondering why industries of this character should not be given a drawback on the price of their coal if they obtained it from Alberta and Nova Scotia.

I am heartily in favour of the course suggested by the hon. member for East Simcoe (Mr. Thompson) when he spoke the other day on the subject of flour. I favour an export duty on wheat going to the United States so as to compel the manufacture of wheat into flour on this side. Our wheat is going to Buffalo in larger quantities each year; Buffalo is fast becoming the milling centre of the continent through the shipping of our wheat to that point and the milling of it into flour there, and I therefore strongly support and advocate an export duty on wheat going to the United States for milling purposes so that instead it may be made into flour on this side, thus building up the flour milling industry in Canada and giving employment.

I come now to the matter of immigration, which has been and is still a very serious and complex question. I have given it a great deal of thought and I have often wondered how on earth it can be solved with advantage to this country. I have often wondered, although I do not say I believe in it, if it would not be better to throw open the doors to all persons from Europe who are mentally

and physically perfectly fit and of good character and willing to work hard until this country has a population of, say fifteen or twenty millions, and then apply the quota system. I was led to that conclusion by this way of reasoning: that every person who comes into this country has to be fed, clothed and housed. He is a consumer, and he is also more or less a producer. If the doors were thrown open and these people, mentally and physically fit and willing to work, came in, you would start the wheels of industry going. Economics is a funny thing. It does not take much to start it going the right way, and it does not take much to start it going the wrong way. I am, however, a believer first and foremost in the predominance of the British race in this country as against people from continental Europe or elsewhere, and that the great preponderance of immigrants into Canada should be of the British race. But there is that question, and perhaps the bold and startling scheme advanced by the hon. member for North Vancouver (Mr. McRae) will solve this question. It was very startling to me and highly interesting, but in a matter of such importance, such magnitude, as immigration, we have reached the point where we realize that population is what this country must have and that we must do something bold and startling. I for one as an ordinary citizen of Canada would cheerfully, on behalf of myself and my family, contribute to the consequent increase in taxation for the carrying out of that splendid scheme, as I consider it to be. We should all so far as possible sink our party differences in endeavouring to arrive at a solution of this immigration question. If the scheme of the hon. member for North Vancouver could be adopted and a commission or board appointed such as the one that manages the Canadian National Railways, with that hon. member at its head having the ability and capacity for organization and administration that he has, and the scheme were administered by that board free from politics, I think it would work out splendidly, and very quickly this country would get the immigration it desires and go ahead by leaps and bounds. As a result of the carrying out of a proper immigration policy we would have a fair-sized population in a short number of years. With this increased population, with a more largely industrialized west and a fuller development of the mineral wealth of northern Ontario, this country would go forward very rapidly and a large number of our problems and difficulties would be solved and overcome.

Of course, to my mind, in addition to all that we require, for the more rapid progress of Canada, to have stability of tariff, a well-settled fiscal policy, so that there may be a certainty of things, and people, especially in industrial lines, can govern themselves accordingly. With an adequate protective policy and an increased population, this Canada with our united efforts will move forward to the great destiny that certainly lies ahead of it, the destiny of being a very important, if not the most important part of the British Empire and an influential nation in world affairs. Already we have a seat in the League of Nations and that is the thin edge of the wedge of Canada's influence in world affairs. I can easily visualize in the future years Canada being, as I said, not only the most important part of the British Empire but one of the great nations of the world and of large influence in world affairs in promoting and bringing about peace and the advancement of civilization generally. The vastness of our country, the large population that will in time dwell here, its great resources and the character of the people in the nature of things ensure that.

Mr. T. E. KAISER (Ontario): Mr. Speaker, I can assure you and this house that I have no particularly set speech to deliver on this occasion. I know that the house and the whole of Canada are at this moment waiting to hear the deliverance of that distinguished statesman who is now recognized as leader of the Conservative party (Mr. Bennett), in the Dominion of Canada. Undoubtedly an equal number of Canadians are waiting to hear the reply by the distinguished gentleman who for the present occupies the position of Prime Minister (Mr. Mackenzie King), of this great Dominion. For that reason I assume that not very many are interested in what I may have to say. I have, however, been pressed to take part in this debate, and in order to get back at those who induced me to speak I am going to say something.

First I should like to say a word in reply to the sympathetic remarks of my hon. friend from St. Ann (Mr. Guerin) in regard to the McConachie case. I have been taught, and I learned to be governed by that teaching, not to attempt to diagnose a case at too great a distance, and I was rather surprised that my good friend from St. Ann was able to diagnose this case right across the Atlantic. I prefer for the moment to accept the findings of the medical men who actually examined this particular child.

Having sat in this house for two or three years, I have heard hon. members speak of about 240 constituencies as being the biggest or greatest in Canada, and I am therefore

afraid to say very much about the constituency I represent, because I might follow their lead and then people outside of Canada would gather that there were 245 constituencies in this country and each one was the biggest and the greatest in Canada. If I say nothing about my constituency I am glad to know that I shall have a distinguished guide in that respect, and that is the Prime Minister. I have never heard him say that he represented the greatest constituency in this Dominion although he does represent a great constituency at the present time. I am inclined to think that he is what they call a perambulating representative. He has represented North Waterloo and North York, and then he moved from the Yorks to the Princes, representing Prince, in Prince Edward Island, and then Prince Albert, in Saskatchewan. I am afraid that he might next undertake to represent some south constituency, and perhaps be nominated to represent South Ontario. I do not know what the result would be in that case.

Some hon. MEMBERS: We do.

Mr. KAISER: We have had two or three visits from the distinguished Prime Minister of this country, in the last two elections, and before. Once, when my election hung in the balance, the Prime Minister visited the constituency and gave an oration, and I was told immediately afterwards that I need not worry about getting elected. During the next election he came again and made another oration, far more brilliant than the previous one, but as soon as it was over I was assured again that I need have no fear of the consequences. I had a rather peculiar experience in my last election. I had pitted against me a gentleman who to-day occupies a high position in this country as head of the tariff board, a very important position. We got into a very remarkable contest, and while I won the election and he lost, he was able to pull out a $12,000 a year job, while I receive only $4,000. He gave to the world a new epigram, namely, "It is more blessed to lose than to win". I propose to say something about the tariff board before I am through.

I wish to say a word about one of the greatest questions facing this country to-day, and before very long it will take the centre of the platform in this country. I refer to the national debt of Canada. Unfortunately or fortunately, as the case may be, the Dominion of Canada is placed side by side with the great American republic. When we on this side of the line take lightly some of our difficulties, we should cast our eyes across the line and ask ourselves what is this great country to the south of us doing in regard to some of these matters? Think of this for a moment. In 1919 the national debt of the United States was, in round figures, $25,000,000,000; 1920, $24,000,000,000; 1921, $23,000,000,000; 1922, $22,000,000,000; 1923, $22,000,000,000; 1924, $21,000,000,000; 1925, $20,000,000,000; and in 1926, $19,000,000,000. In other words, they reduced their debt from $25,000,000,000 to $19,000,000,000 between 1919 and 1926.

But that is not the whole story. Their debt now is reduced almost to $16,000,000,000, I understand, but whatever it may be, we must remember that the United States has placed on England, $4,700,000,000, upon France almost $3,000,000,000, and under the Dawes report she has placed on the countries in Europe an amount of her debt equal to $11,000,000,000. Take that $11,000,000,000 from the $16,000,000,000, and only $5,000,000,000 remains as the national debt resting upon the United States, and that is being reduced at the rate of $1,000,000,000 a year. How are we going to stand five or six years from now, if we have not in the meantime been reducing our national debt by some systematic method; when we are placed in competition with a country right at our doors that has absolutely wiped out her national debt or has placed it upon other countries? What would be the use of a five or ten per cent tariff then? I claim that one of the most important things for this Dominion to do at this moment is to consider seriously the question of reducing our national debt. We have no country upon which we can unload a single dollar. We must pay off our debt solely through our energy and the genius of our men and the wealth of our resources. When this question of the national debt came up in the budget the Finance minister undertook to pass over it by quoting from an author who has been dead for seventy or eighty years. I marvel at times how the governing body in this country undertake to fortify some of their fallacies by delving into the museums of our country, dragging forth authorities of 150 or 200 years ago, and quoting them for present-day directions. The thing is absurd. Just to illustrate my meaning, I was curious to know who this McCulloch was whom the Finance minister quoted the other day, and I find that he has been dead pretty nearly a hundred years. And I observe, too, that the Finance minister did not read all that he said about national debts. The Finance minister quoted him as saying there should be no sinking fund and no taking care of the debt, but I read the next paragraph to that, just to show you the difference in the minds of men to-day as compared with the minds of men who lived one or two hundred years ago. He says:

We have previously endeavoured to show that it would be advantageous to maintain during peace a surplus revenue of some two, three, or five millions a year. We should do this, not so much in the view of reducing the debt, though that is a consideration not to be left entirely out of view, as of increasing our security, and enabling proper measures to be devised, in the event of our being engaged in war, for defraying its expense.

This philosopher said that the great thing for the British Empire to do before it got rid of the national debt was to lay by some ready cash in order to prepare for the next war. Why did not the Minister of Finance explain the mentality of the man whom he quoted in regard to the treatment of our national debt? This man seemed to think he could look down through generations to come and tell exactly what was going to happen, and advise us how we should handle our national debt. But listen to the views of this philosopher on the development of democracy. I wonder what those who are behind the "flapper votes" in England think of this great philosopher's views on the franchise as it should obtain in England. Let me quote:

In a political point of view the late events in America are pregnant with instruction. The system of low or universal suffrage, of allowing the representatives of the nation to be chosen by a numerical majority, including the lowest classes, could not have been anywhere tried under such favourable circumstances as in the United States, and yet the result has been most deplorable. It has made the mob paramount, thrown the government into the most incompetent hands, and filled the whole country with jobbing and abuses of all sorts. Many of those best acquainted with the people think the crisis will terminate in a military despotism. But whether that be so or not, the experience of the United States is a warning to all nations to beware how they reduce the elective franchise. The Americans are neither better nor worse than others, and the abuses by which they are disgraced would be quite as rampant on this side of the Atlantic were the members of our legislature elected under a similar system.

That indicates the kind of mind that existed fifty years ago. And yet this philosopher is being quoted to-day by the Minister of Finance as a guide in dealing with the national debt!

Now, I consider it important to bring to the attention of the house the strange workings of this strange aggregate known as the "tariff board." They investigated the salt belt, starting somewhere near Kincardine, where the Minister of Trade and Commerce (Mr. Malcolm) comes from, then it perambulates through half a dozen Liberal constituencies and finally winds up near where the Minister of Public Works (Mr. Elliott) comes from. Now, a body of men connected with this salt industry came before the tariff board and made the following application:

[Mr. Kaiser.]

Application by the Salt Producers Association for cancellation of the item providing free salt for sea or gulf fishing; for increase of duty on salt imported in bags, barrels or other coverings or in bulk; for the imposition of the same rates of duty on containers filled with salt as applies on empty containers; and for increased duties on free-running table salt.

These business men in a business way put forward a business proposition. They did not complain that they were hard up, they did not say that their business was lagging. They simply said: We have a wonderful salt deposit in our section of the country, but we are hampered in our operations by salt coming in from the United States, from Germany and from the United Kingdom; we claim that if this salt were subject to a duty we would have the full advantage of our home market, we could operate to the full extent of our capacity and we could employ twice as many men. They did not say that they wanted to make more money, but they simply said they were working only 50 per cent of their capacity. Then the mystifying work began. In this house there is something we see on the table, but there is also a game going on under the table that we do not see. When this matter came before this house all we know is that somebody got in contact with the Minister of Finance, with the result that the government said to the salt producers' association: We will grand a rebate of 99 per cent on the coal that you use in the preparation of your salt. That is the most ridiculous line that was ever written into a budget. I will tell you why. It illustrates the difference between the Conservative view and the Liberal view in handling such a mater. We say that the industry should be considered. Here is a means by which 500 families representing 2,500 people could be retained in Canada if the request for the imposition of a duty on salt were granted. But the Liberal mind says: We must fix up the industrialists; we will allow them every January to come down to parliament and by drawbacks take out of the cash box about $5,000 apiece. There are about ten factories engaged in the salt industry in western Ontario, and in the aggregate they turn out 200,000 tons of salt annually. It requires about 100,000 tons of coal to produce this salt. Fifty cents a ton on the coal means a drawback of about $50,000 which is divided up among these ten men. But they did not want it. They are sportsmen, and they take more pride in developing their industry than in getting a $5,000 drawback. That drawback did not add one solitary factory to our industrial development; it did not result in the employment of one additional workman. Two days ago the Canadian Salt Company issued their

annual statement from their offices in Montreal, from which it appears that notwithstanding the fact that they have been able to operate only at half their capacity they earned 13½ per cent on their capital. Before the tariff board it was shown that the salt manufacturers combined made 25 per cent on their capital. It was not a little drawback that they wanted. Like the good, honest, solid Canadians that I have always found in our industrial captains, they took far more pride in the development of their business and in the employment of fellow-Canadians than in securing the few paltry dollars offered them in drawbacks.

Then there is another matter that requires a little investigation in connection with this drawback game. Let me give the house this statement:

Statement showing the total amount paid for customs drawbacks, annually, back to March 31st 1921, and in five year periods preceding that.

Fiscal year 1927-28 (11 months to Feb. 29/28)	**$11,338,738 14**
Fiscal year 1926-27	14,639,450 94
Fiscal year 1925-26	14,706,419 28
Fiscal year 1924-25	10,610,742 77
Fiscal year 1923-24	11,719,152 44
Fiscal year 1922-23	13,400,508 25
Fiscal year 1921-22	10,741,682 04
Fiscal year 1920-21	12,839,914 41
Five year periods.	
Fiscal year 1915-16	3,599,844 77
Fiscal year 1910-11	789,395 27
Fiscal year 1905-06	242,853 77
Fiscal year 1900-01	138,947 80
Fiscal year 1895-96	149,218 27
Fiscal year 1890-91	134,388 86

Previous to 1890-91 no separate record of paid Drawbacks appears to have been kept.

I can quite appreciate the fact that a drawback is justifiable and perfectly sound from a national point of view. If a man brings in his raw material from a foreign country and manufactures it in Canada and then exports the finished product he is entitled to drawback. And the law permits it. But when it comes to giving drawbacks to some people in lieu of some other things they would like to have, it seems to me that this is absolutely wrong. What should this country do? Only one thing: the people should get rid of a government which fails to take advantage of the opportunities that offer; they want to do away with a job-killing government and replace it with a job-making administration. Read the remarks of the president of the Bank of Montreal a few days ago and you will get an idea of what should be the immigration policy of this country. From time immemorial people have moved from one country to another for one of two reasons; either to improve their position or to find employment. If this government only had sufficient faith in the country and could be induced to change its course and adopt a policy of protection, and provide that protection openly and honestly at the front door instead of at the back door, endeavouring thereby to provide employment for those people who are already in Canada as well as for others who might wish to come—if this were done we could dispense with a minister of immigration altogether.

The chief business before the country today is to undertake by every means possible to provide work for the people. Someone will ask, what about the automobile business in Oshawa? The government amended the tariff in this industry and I do not propose to say much on that score. The change was intended to effect great results. But what has happened? People generally do not realise it, but there has been an increase of 28 per cent in importations of automobiles into Canada, every one of which could have been manufactured in this country by Canadian workmen. This would have provided employment for 2,000 men. Reckoning five members to a family, this would mean 10,000 of a population who might have been retained in the country. But by one stroke of the pen the government drives from our shores all these people and then calls upon the Minister of Immigration to tour the world in search of 10,000 others to come in and take their place. The government, so to speak, are pouring material in at the top of the sack while it is running out at the bottom. If they only had sufficient common sense to sew up the hole at the bottom of the sack they would save all the loss that is now going on. The most pathetic thing I have ever witnessed was a village which was destroyed by tariff changes. Would any other country be guilty of such a thing? I venture to say you would not find the United States government following any course which would result in the shutting down of a single industry or the closing-up of a single home resulting in the exodus of its population. This sort of thing must come to an end in Canada. The government must have a change of heart or it will be the business of the people of this Dominion to put in a government who will see to it that sufficient work is provided for all.

On motion of Mr. Bennett the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME I.